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Offering Memorandum

Cablevisión S.A.

U.S.$500,000,000

6.500% Notes due 2021

We issued U.S.$500,000,000 aggregate principal amount of our 6.500% notes due 2021, which we refer to as the "notes." The notes will mature on June 15, 2021. Interest on the notes will be payable semi-annually in arrears on June 15 and December 15 of each year commencing on December 15, 2016, calculated on the basis of a 360-day year of twelve 30-day months. At any time prior to June 15, 2019, we may redeem the notes, at our option, in whole but not in part, at a redemption price equal to the principal amount of the notes to be redeemed, plus a "make-whole" amount described in this offering memorandum, accrued and unpaid interest and additional amounts, if any, to the date of redemption. At any time and from time to time on or after June 15, 2019, we may redeem the notes, at our option, in whole or in part at redemption prices described in this offering memorandum, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. We may also redeem all, but not less than all, of the notes in the event of changes in tax laws that increase the withholding taxes applicable to payments under the notes. In addition, on or prior to June 15, 2019, we may redeem up to 35% of the notes with the net proceeds of certain equity offerings. Under certain circumstances, holders of the notes will have the right to require us to repurchase the notes. See "Description of the Notes."

The notes will be our general, unsecured and unsubordinated obligations, ranking equally without any preference among themselves and with all of our other present and future unsecured and unsubordinated indebtedness from time to time outstanding, except as otherwise provided by law. The notes will be subordinated to all of our existing and future secured obligations to the extent of the value of the assets securing such obligations, and to all of the existing and future obligations of our subsidiaries.

The notes constitute non-convertible negotiable obligations under, and were issued pursuant to, and in compliance with all the requirements of, and are entitled to the benefits set forth and subject to the procedural requirements established in, the Argentine Negotiable Obligations Law No. 23,576, as amended (the "Negotiable Obligations Law"), Law No. 26,831 (the "Argentine Securities Law"), the General Resolution No. 622/2013, as amended (the "Resolution 622"), issued by the *Comisión Nacional de Valores*, the Argentine Securities Commission (the "CNV"), and any other applicable laws and regulations of the Republic of Argentina ("Argentina").

We have applied to have the notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF, the exchange-regulated market of the Luxembourg Stock Exchange (the "Euro MTF Market"), to have the notes listed on the *Mercado de Valores de Buenos Aires S.A.* (the "MERVAL") through the *Bolsa de Comercio de Buenos Aires* (the Buenos Aires Stock Exchange or "BCBA") and to have the notes admitted to trading on the Argentine over-the-counter market, the *Mercado Abierto Electrónico S.A.* (the "MAE"). There can be no assurances that these applications will be accepted. This offering memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended.

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page 14.

Price: 100.000% plus accrued interest, if any, from June 15, 2016

The notes constitute our Series A notes issued under our U.S.$1,000,000,000 Medium Term Note Program authorized by the CNV by Resolution No. 18,067 dated May 26, 2016 (the "Program"). The CNV authorization means only that the information requirements of the CNV have been satisfied. Offers of the notes to the public in Argentina have been made by a prospectus and a pricing supplement in the Spanish language in accordance with CNV regulations containing substantially the same information as this offering memorandum, other than with respect to the description of U.S. securities and tax laws that are relevant to the notes, but in a different format (the "Argentine Offering Memorandum"). The CNV has not rendered any opinion in respect of the accuracy of the information contained in the Argentine Offering Memorandum or this offering memorandum.

The notes have not been registered under the United States Securities Act of 1933, as amended, (the "Securities Act"), or with the securities regulatory authority of any state or other jurisdiction in the United States. The notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers ("QIBs") in reliance on the exemption from registration provided by Rule 144A under the Securities Act ("Rule 144A"), and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). You are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Any offer or sale of bonds in any Member State of the European Economic Area which has implemented Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU (the "Prospectus Directive"), must be addressed to Qualified Investors (as defined in the Prospectus Directive). For further details about eligible offerees and resale restrictions, see "Transfer Restrictions."

Delivery of the notes was made to investors in book-entry form through the facilities of The Depository Trust Company ("DTC"), for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme,* Luxembourg ("Clearstream"), on June 15, 2016.

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Joint Lead Managers and Bookrunners

Deutsche Bank Securities **Itau BBA** **J.P. Morgan**

The date of this offering memorandum is June 24, 2016.

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You should carefully review the entire offering memorandum before making an investment decision. Neither we nor Deutsche Bank Securities Inc., Itau BBA USA Securities Inc. or J.P. Morgan Securities LLC, referred to in this offering memorandum as the "initial purchasers," have authorized anyone to provide information that is different or additional to the information contained in this offering memorandum. Neither we nor the initial purchasers take responsibility for any other information that others may give you. If anyone provides you with different or additional information, you should not rely on it. You should assume that the information in this offering memorandum is accurate only as of the date on its front cover, regardless of the time it is delivered or of any sale of the notes. Our business, financial condition, results of operations and prospects may change after the date on the front cover of this offering memorandum.

NOTICE TO INVESTORS

This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any note offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs or that the information set forth in this offering memorandum is correct at any date subsequent to the date of this offering memorandum.

We are relying on an exemption from registration under the Securities Act for offers and sales of securities in the United States that do not involve a public offering. By purchasing the notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "Transfer Restrictions" in this offering memorandum. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

We have not authorized the use of this offering memorandum for any purpose other than for prospective investors to consider a purchase of the notes.

Subject to applicable laws (in particular, the Argentine Securities Law and Resolution 622) and objective, transparent and equitable conditions, we, as well as the initial purchasers and Banco Itaú Argentina S.A. (the "Lead Local Placement Agent") and the Industrial and Commercial Bank of China (Argentina) S.A., (the "Local Co-Placement Agent," and together with the Lead Local Placement Agent, the "Local Placement Agents"), reserve the right to reject any offer to purchase, in whole or in part, or to sell less than all of the notes offered by this offering memorandum.

The Local Placement Agents are participating in the offering of notes only outside of the United States and to non-U.S. persons in reliance upon Regulation S.

None of the initial purchasers or the Local Placement Agents make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. We have furnished the information contained in this offering memorandum.

This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own counsel, accountant, business advisor and tax advisor for legal, financial, business and tax advice regarding any investment in the notes. In making an investment decision, you must rely on your own examination of our company and the terms of the offering and the notes, including the merits and risks involved. None of the U.S. Securities and Exchange Commission (the "SEC"), any U.S. state securities commission or the CNV has approved or disapproved of these notes or determined if this offering memorandum is truthful, accurate, adequate or complete. Any representation to the contrary may be a criminal offense.

After having made all reasonable inquiries, we confirm that we accept responsibility for the information we have provided in this offering memorandum and assume responsibility for the correct reproduction of the information contained herein. We, having taken all reasonable care to ensure that such is the case, confirm that the information contained in this offering memorandum is, to the best of our knowledge, in accordance with the facts and contains no omission likely to make this offering memorandum misleading.

In connection with the issue of the notes, the initial purchasers (or persons acting on their behalf) may over allot notes or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the initial purchasers (or persons acting on their behalf) will undertake stabilization action. Such stabilizing activities, if commenced, may be discontinued at any time and, if begun, must be brought to an end after a limited period. Any stabilization activities will be undertaken in accordance with the Argentine Securities Law, the CNV regulations and other applicable laws and regulations.

AVAILABLE INFORMATION

To preserve the exemption for resales and transfers under Rule 144A, we have agreed that we will promptly provide any holder or any prospective purchaser of the notes who is designated by that holder and is a QIB, as defined under Rule 144A, upon the request of such holder or prospective purchaser, with information meeting the requirements of Rule 144A(d)(4) if at the

time of the request we are neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Following completion of this offering, we are not otherwise obligated to furnish holders or others with any supplemental information, discussion or analysis of our business or financial reports. We are required to periodically furnish certain information in Spanish to the CNV, the BCBA and the MAE, such as quarterly and annual reports and notices of material events (*hechos relevantes*). All such reports and notices are available at the website of the CNV (http://www.cnv.gob.ar), the website of the BCBA (http://www.bolsar.com) and the website of the MAE (http://www.mae.com.ar). Neither the documents filed with the CNV, the BCBA and the MAE nor the contents of the websites referenced herein are a part of this offering memorandum and are not incorporated by reference herein.

You may obtain our annual audited consolidated financial statements and unaudited condensed consolidated interim financial statements on the website of the CNV (www.cnv.gob.ar) under "Financial Information" (*Información Financiera*).

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This offering memorandum is for distribution only to and directed only at persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iii) are outside the United Kingdom (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO PROSPECTIVE INVESTORS IN THE EEA

This offering memorandum has been prepared on the basis that any offer of notes in any Member State of the European Economic Area (each, a "Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Issuer or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the initial purchasers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Member State.

ABOUT THIS OFFERING MEMORANDUM

References in this offering memorandum to the "Company," "Cablevisión," "we," "us" and "our" are to Cablevisión S.A. and its subsidiaries, including Primera Red Interactiva de Medios Argentinos S.A. ("Prima") and Nextel Communications Argentina S.R.L. ("Nextel") (which became our subsidiary on January 27, 2016), unless the context requires otherwise. References to "Teledigital" are to Holding Teledigital Cable S.A. and its subsidiaries. References to "Multicanal" are to Multicanal S.A. References to "Adesol" are to Adesol S.A.

In this offering memorandum, references to "Pesos," "pesos" or "Ps." are to Argentine pesos, and references to "U.S. Dollars," "dollars" or "U.S.$" are to U.S. dollars. A "billion" is a thousand million.

The information provided in this offering memorandum that relates to Argentina and its economy is based upon publicly available information, and we do not make any representation or warranty with respect to such information. Argentina, and any governmental agency or political subdivision thereof, does not in any way guarantee, and their credit does not otherwise back, our obligations in respect of the notes.

Certain amounts shown in this offering memorandum are subject to rounding. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregate of the other figures in such table.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying them. Examples of such forward-looking statements include expectations relating to:

- our plans to refinance existing debt (other than the debt being refinanced with the proceeds of this offer);
- business, political or other conditions in Argentina and Uruguay, the countries in which we operate;
- our future performance or that of the Argentine and/or Uruguayan economies;
- fluctuations in the exchange rates between the Peso and foreign currencies;
- inflation rates in Argentina;
- the entry of new market participants and our ability to effectively compete and develop our business in the future;
- changes in the behavioral patterns of customers with respect to the consumption of media and other related services;
- unexpected or rapid changes in our business, including our ability to adapt to technological developments;
- our ability to finance, on reasonable terms, capital expenditures required to remain competitive;
- our reliance on content produced by third parties;
- increasing costs of our supplies;
- changes in the regulatory environment in which we operate; and
- recent modifications to the *Ley de Servicios de Comunicación Audiovisual* No. 26,522 (the Law of Audiovisual Communication Services, or the "Media Law") pursuant to Decree No. 267/2015, dated December 29, 2015 (the "Decree 267"), the creation of the *Ente Nacional de Comunicaciones* ("Enacom") and the implementation of a new regulatory framework in Argentina.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. For additional information on factors that could cause our actual results to differ from expectations reflected in forward-looking statements, please see "Risk Factors" in this offering memorandum.

Forward-looking statements speak only as of the date they are made. We do not undertake to update such statements in light of new information or future developments. You should evaluate any statements made by us in light of these important factors.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The financial information included herein is prepared and presented in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as approved by Technical Resolution No. 26 of the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (the Argentine Federation of Professional Councils of Economic Sciences, or the "FACPCE"), as amended by Technical Resolution No. 29 of the FACPCE, and the regulations issued by the CNV.

We maintain our financial books and records and publish our financial statements in Argentine Pesos. This offering memorandum contains our audited consolidated financial statements as of and for the fiscal years ended December 31, 2015, 2014 and 2013, which have been prepared in accordance with IFRS (the "Audited Consolidated Financial Statements"), and our unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2016 and 2015, which have been subject to review by our independent accountants Price Waterhouse & Co. S.R.L. (a member firm of the PricewaterhouseCoopers network) ("Price Waterhouse") (the "Unaudited Condensed Consolidated Interim Financial Statements," and together with the Audited Consolidated Financial Statements, the "Financial Statements").

Our independent accountants, Price Waterhouse & Co. S.R.L. issued an opinion on our Audited Consolidated Financial Statements for the year ended December 31, 2015, 2014, 2013 that contains an emphasis of matter paragraph describing the following factors that affected our activities and the activities of certain of our subsidiaries as of December 31, 2015, 2014 and 2013: (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisition of the Company and other legal entities, which later resulted in our merger with Multicanal and other companies; (ii) changes to the regulatory framework applicable to telecommunication service providers, including us, which are expected to stem from the Argentine Digital Law approved in 2014, the implementation of which remains uncertain as of December 31, 2015; (iii) the issuance of Decree No. 267/2015, which introduced changes to the regulatory framework for the telecommunication and audiovisual services, through which Enacom was created as regulator under Laws No. 26,522 and 27,078; (iv) the resolution No. 50 issued by the SCI including the formula to calculate the monthly fees to be paid by cable television subscribers, which effects are uncertain as of the date of issuance of said opinion; and (v) the enactment of Law No. 19,307 in the Republic of Uruguay, which regulates the main activities of our subsidiary Adesol, which has not yet been implemented as of the date of issuance of said such opinion) appearing herein.

With respect to our Unaudited Condensed Consolidated Interim Financial Statements as of March 31, 2016, and for the three months ended March 31, 2016 and 2015 included in this offering memorandum, Price Waterhouse & Co. S.R.L. reported that they have applied limited procedures in accordance with professional standards in connection with their review of such information. Their separate report dated May 10, 2016, included in this offering memorandum (which contains an emphasis of matter paragraph describing the following factors that affected our activities and the activities of certain of our subsidiaries as of March 31, 2016: (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisition of the Company and other legal entities, which later resulted in our merger with Multicanal and other companies and (ii) resolution No. 50 issued by the SCI including the formula to calculate the monthly feed to be paid by cable television subscribers, which effects are uncertain as of the date of issuance of said report) states that they did not audit and they do not express an opinion on such unaudited interim financial information. Accordingly, the degree of reliance on their report should be restricted in light of the limited nature of the review procedures applied.

In accordance with IFRS, the financial information set forth in this offering memorandum has not been adjusted to reflect inflation. Inflation could therefore affect the comparability of the different periods presented herein.

Certain figures included in this offering memorandum and in the Financial Statements have been rounded for ease of presentation. Percentage figures included in this offering memorandum have in some cases been calculated on the basis of such figures prior to rounding. For this reason, certain percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in the Financial Statements. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

Exchange Rates

We have translated some of the Peso amounts contained in this offering memorandum into U.S. Dollars at specified rates for convenience purposes only. Peso amounts for the year ended December 31, 2015 and for the three months ended March 31, 2016 have been translated into U.S. Dollars at the exchange rate quoted by *Banco de la Nación Argentina* ("*Banco Nación*") for wire transfers (*divisas*) on December 31, 2015 of Ps. 13.040 to U.S.$1.00, and on March 31, 2016 of Ps. 14.700 to U.S.$1.00, respectively, except for Statement of Comprehensive Income data. Statement of Comprehensive Income data for the year ended December 31, 2015 has been converted at a rate of Ps. 9.270 per U.S.$1.00, the average rate of exchange for U.S. Dollars for the full year 2015, which consists of the daily average of the U.S. Dollar exchange rates published by *Banco Nación* on each day during the year ended December 31, 2015. Statement of Comprehensive Income data for the three months ended March 31, 2016 has been translated at a rate of Ps. 14.488 per U.S.$1.00, the average rate of exchange for U.S. Dollars for the three months ended March 31, 2016 which consists of the daily average of the U.S. Dollar exchange rates published by *Banco Nación* on each day during the three months ended March 31, 2016. The exchange rates and methods used for currency translations in an SEC registered offering would differ, possibly materially, from the rates used in this offering memorandum.

The Federal Reserve Bank of New York does not report a noon buying rate for Pesos. The U.S. Dollar equivalent information presented in this offering memorandum is provided solely for the convenience of the reader and should not be construed to represent that the Peso amounts in question have been, or could have been or could be converted into, U.S. Dollars at such rates or at any other rate.

The exchange rate for U.S. Dollars quoted by the *Banco Central de la República Argentina* ("Central Bank") on May 31, 2016 was Ps. 13.99 to U.S.$1.00. See "Exchange Rate Information and Exchange Controls."

Customer Data

The operational and statistical data set forth in this offering memorandum, including metrics such as average revenue per user, or ARPU, penetration rates and churn rates are determined by management, are not part of our Financial Statements (as defined below) and have not been audited or otherwise reviewed by an outside auditor, consultant or expert or by any of the initial purchasers. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We define "*clientes únicos*," or active customer relationships, as customers that receive at least one of our main services – cable services or broadband. As of March 31, 2016, 53% of our total customers received broadband, 91% received cable services and 43% received both services.

We define "ARPU" as average monthly revenue per active customer (including revenue earned from cable and broadband subscription fees, cable premium services, pay-per-view fees, installation fees, fixed telephony, additional outlets and magazine revenues) for the indicated period, divided by the average of the opening and closing active customer relationships, as applicable, for the period.

"Churn" refers to the termination of a customer's account. The churn rate is determined by calculating the total number of disconnected customers over a given period as a percentage of the initial number of relevant customers for the same period.

Third-Party Information

The information set forth in this offering memorandum with respect to the market environment, market developments, growth rates, trends and competition in the markets and segments in which we operate are based on information published by the Argentine federal and local governments through the *Instituto Nacional de Estadísiticas y Censos* (the National Statistics and Census Institute, or "INDEC") and the Ministry of Public Works, the Central Bank (defined below), the *Dirección General de Estadística y Censos de la Ciudad de Buenos Aires* (General Directorate of Statistics and Census of the City of Buenos Aires) and the *Dirección Provincial de Estadística y Censos de la Provincia de San Luis* (Provincial Directorate of Statistics and Census of the Province of

San Luis), as well as on independent third-party data, statistical information and reports produced by unaffiliated entities such as Dataxis, International Data Corporation ("IDC"), SNL Kagan Media-Communications ("Kagan") and Pyramid Research Inc. ("Pyramid"), as well as on our own internal estimates.

Market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward looking and speculative. This offering memorandum also contain estimates made by us based on third-party market data, which in turn is based on published market data or figures from publicly available sources.

Neither we nor the initial purchasers have verified the figures, market data or other information on which third parties have based their studies nor have such third parties verified the external sources on which such estimates are based. Therefore neither we nor the initial purchasers guarantee nor do we or the initial purchasers assume responsibility for the accuracy of the information from third-party studies presented in this offering memorandum or for the accuracy of the information on which such estimates are based.

This offering memorandum also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. Such information is based on our internal estimates. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organizations and institutions. We believe that these internal estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which we operate as well as our position within this industry. Although we believe that our internal market observations are reliable, our estimates are not reviewed or verified by any external sources. We assume no responsibility for the accuracy of our estimates and the information derived therefrom. These may deviate from estimates made by our competitors or future statistics provided by market research institutes or other independent sources. We cannot assure you that our estimates or the assumptions are accurate or correctly reflect the state and development of, or our position in, the industry.

ENFORCEMENT OF CIVIL LIABILITIES

We are a duly incorporated *sociedad anónima* organized under the laws of Argentina. Substantially all of our assets are located in Argentina. All of our directors and executive officers reside in Argentina, and all or a substantial portion of their assets are also located in Argentina or elsewhere outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them or against us judgments predicated upon the civil liability provisions of the federal securities laws of the United States or the laws of other jurisdictions.

We have been advised by our Argentine counsel, Errecondo, González & Funes, that there is doubt as to whether the courts of Argentina would enforce in all respects, to the same extent and in as timely a manner as a U.S. or other non-Argentine court, an original action predicated solely upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine securities laws; and that the enforceability in Argentine courts of judgments of U.S. or other non-Argentine courts predicated upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine securities laws will be subject to compliance with certain requirements under Argentine law, including that any such judgment does not violate Argentine public policy (*orden público argentino*).

Enforcement of foreign judgments would be recognized and enforced by the courts in Argentina provided that the requirements of Argentine law are met, such as: (i) the judgment, which must be final in the jurisdiction where rendered, was issued by a court competent in accordance with Argentine principles regarding international jurisdiction and resulted from a personal action, or an *in rem* action with respect to personal property if such property was transferred to Argentine territory during or after the prosecution of the foreign action; (ii) the defendant against whom enforcement of the judgment is sought was personally served with the summons and, in accordance with due process of law, was given an opportunity to defend against such foreign action; (iii) the judgment must be valid in the jurisdiction where rendered and its authenticity must be established in accordance with the requirements of Argentine law; (iv) the judgment does not violate the principles of public policy of Argentine law; and (v) the judgment is not contrary to a prior or simultaneous judgment of an Argentine court.

SUMMARY

This summary highlights selected information from this offering memorandum and is qualified in its entirety by, and is subject to, the more detailed information and our Financial Statements appearing elsewhere in this offering memorandum. You should read this entire offering memorandum carefully, including the risk factors and Financial Statements contained herein, before making an investment decision.

Our Company

We are the largest operator of cable television services and data cable transmission systems in Argentina and one of the largest providers of cable services in Latin America in terms of subscribers according to trade publications Dataxis and IDC. As of March 31, 2016, we had 3.87 million "*clientes únicos*" or active customer relationships, of which 53% received broadband services, 91% received cable services and 43% received both services. As of March 31, 2016, we also had 0.9 million mobile post-paid customers. Our customer base grew by 6.3% during the last three years, while ARPU (in Pesos) increased by 99% (17.9% in US Dollars) during the same period. We operate under the brands Cablevisión, Fibertel and FiberCorp.

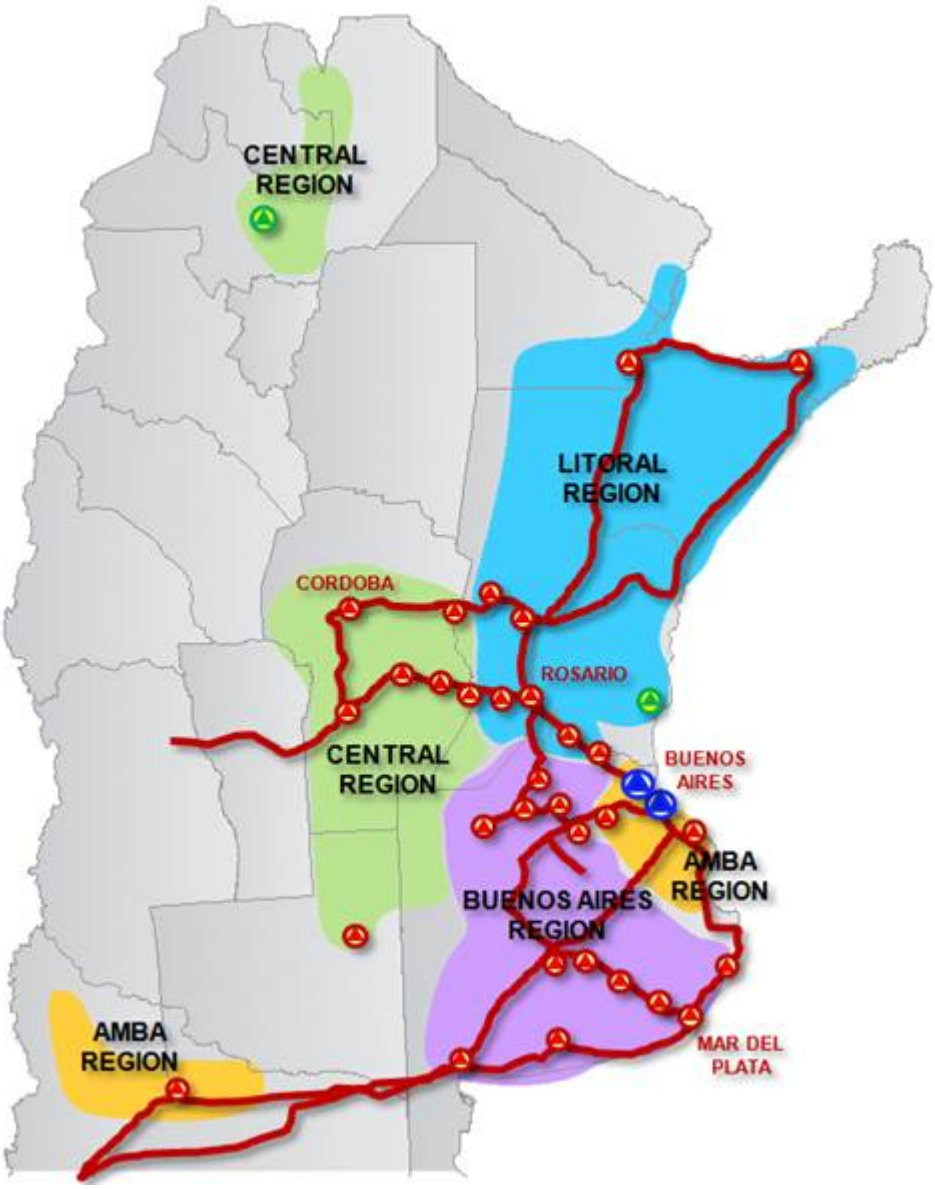
We believe our cable networks are the most technologically advanced in Argentina and Uruguay. As of March 31, 2016, our networks passed through approximately 7.8 million homes (homes are considered passed through if we can connect them to our distribution system without further extending the transmission lines). In the City of Buenos Aires, its suburban areas and the city of La Plata (the "AMBA Region"), we can deliver a two-way bandwidth capacity of more than 750 MHz to approximately 75% of the homes passed through by our networks, reaching approximately 5.8 million homes. Through these networks, we offer not only cable services and broadband services but also additional revenue-generating services and products, such as premium services and pay-per-view, as well as high-speed data transmission and Internet access using two-way high-speed cable modems. According to the trade publications *Dataxis and Kagan* and our internal estimates, as of December 31, 2015, we served more than 39% of the Argentine pay television market and more than 29% of the Argentine Internet broadband paid subscribers, in each case in terms of the number of subscribers.

In 2015, our revenues totaled Ps. 20,125 million, our adjusted EBITDA amounted to Ps. 7,295 million and our total assets were Ps. 19,509 million. For the three months ended March 31, 2016, we had revenues, adjusted EBITDA and total assets of Ps. 7,068 million, Ps. 2,778 million and Ps. 22,904 million, respectively. Total ARPU amounted to Ps. 420.0 and Ps. 518.0 for 2015 and the three months ended March 31, 2016, respectively.

Grupo Clarín S.A. ("Grupo Clarín") and Fintech Media LLC ("Fintech") hold 34.4% and 14.3% of our voting stock, respectively. Additionally, Grupo Clarín and Fintech each own a 50% interest in VLG Argentina LLC, which, in turn, holds 51.3% of our voting stock. For more information, see "Principal Shareholders and Related Party Transactions."

We operate in some of the most populated regions of Argentina and Uruguay, including; the City of Buenos Aires and the provinces of Buenos Aires, Santa Fe, Entre Ríos, Córdoba, Corrientes, Formosa, Misiones, Salta, Chaco, Neuquén and Río Negro, among others. See "The Company—Our Networks and Operating Regions."

The following map sets forth our network infrastructure and main coverage areas as of the date of this offering memorandum.



(1) Green circles represent the sky digital headends in airspace, blue circles represent main digital headends, red circles represent secondary digital headends and red lines represent fiber optic back bones.

Acquisition of Nextel

On September 11, 2015, we acquired 49% of the outstanding capital stock of Nextel. On January 27, 2016, we, together with our subsidiary, Television Dirigida S.A. ("Television Dirigida"), completed the acquisition of the remaining 51% outstanding capital stock of Nextel. The price for the acquisition of the 100% stake in Nextel was U.S.$177.7 million.

On March 3, 2016, the Enacom approved our acquisition of a 100% stake in Nextel. As of the date of this offering memorandum, we directly and indirectly own 100% of Nextel's outstanding capital stock. The acquisition of a controlling interest in Nextel was timely submitted to the *Comisión Nacional de la Defensa de la Competencia* ("CNDC") for approval, which is pending as of the date of this offering memorandum.

We acquired Nextel to further our strategy of entering the Argentine mobile market. By combining our fiber optic network with Nextel's network, we will be in a position to offer customers fourth generation (4G) access, among other innovative mobile services.

As of March 31, 2016, Nextel had 0.9 million post-paid clients, 0.52 million prepaid clients and owned approximately 1,000 transmission towers, of which approximately 300 are co-located with third-party mobile operators.

Competitive Strengths

We believe the following strengths will allow us to execute our business strategy described below:

- ***We benefit from our leading market positions.*** According to the trade publications Dataxis and IDC and our own estimates, we are the largest provider of cable television services in Argentina in terms of subscribers and account for approximately 28.0% of the Argentine Internet broadband segment of the expanding media and telecommunications market. According to Dataxis and IDC, in Argentina the cable television services had a penetration rate of approximately 79.1%, while broadband services had a penetration rate of 61.4%, in each case as of December 31, 2015.

    - Our leading position as the largest operator of cable and data cable transmission systems in Argentina and our solid cable customer base provides us with a competitive advantage over other providers. In addition, we believe that our upgraded network provides us with a superior technological infrastructure for delivering triple-play services as a high-value offer to our customer base and, thus, continue to increase our broadband penetration through the offer of complementary services to our existing cable customers.

    - We believe that our competitive pricing and the quality of our broadband service, as well as the superior speed of our offerings, including through the cable modem technology offered by our Fibertel trademark, provide customers a superior value offer and differentiate us from our competitors.

    - Our cable television customer base represents a unique asset to which we can up- and cross-sell additional digital and broadband products and services. Our single and combined offering of digital television and broadband internet services, together with our established Fibertel brand, the current general trend towards digitalization and our increased broadband penetration, offers us with the opportunity to sell additional services, including broadband, to our existing cable customer base. We believe that we have been successful in promoting the complementary nature of our cable television and broadband services, thereby improving the marketability of our combined offer packages to existing and potential customers.

- ***Extensive network and infrastructure provides us with a superior platform.*** We believe that the size and reach of our cable network positions us well in the media and telecommunications markets. We believe that our cable networks are among the most technologically advanced in Argentina and Uruguay based on our infrastructure investments of $2.5 billion over the past nine years. Through our networks we offer not only cable and internet access, but also additional revenue-generating services and products, such as premium services and pay-per-view. In addition, our fiber optic systems have the advantage of greater capacity and reliability, resistance to electrical interference and cost reductions. These systems are capable of being quickly adapted to future technological developments, which strongly positions us to meet our customers' evolving needs and demand for technological advancements.

- ***We have strong brand positioning and offer high-quality services.*** We believe Cablevisión is widely recognized by its customers for network reliability and high-quality customer care. This high level of brand recognition enables us to up-sell and cross-sell our innovative products and services, each of which requires the existence of a high level of trust from customers. Fibertel is also acknowledged by its customers for internet access reliability and high-quality service tailored to customers' growing needs,

thereby, attracting a loyal clientele. Our Fibercorp brand is gaining increased recognition in the corporate business sector.

- ***Our financial management is strong and conservative.*** We have a proven track record of profitable growth and high operating cash flows while maintaining a low leverage. Our debt to adjusted EBITDA as of December 31, 2015 was 0.62x, and our adjusted EBITDA margin in 2015 was 36.2% as compared to 33.0% in 2014. As a result, we believe we will be able to meet on-going and future additional capital expenditures needed to face increased competition and a changing regulatory environment in the telecommunications and mobile services industries.

- ***Experienced management and committed shareholders.*** We have a highly experienced management team with deep industry knowledge. Each member of our senior management team has at least 10 years of relevant experience in the field. Our top management is supported by a broad base of experienced second-level managers. In addition, our shareholders have a proven track record of committing to management's business and growth strategy plans.

- ***Quadruple Play.*** We are one of the few participants in the Argentine market in a position to offer quadruple play. Moreover, we believe that our strong position both as provider of cable television services as well as broadband will allow us to remain competitive against other market participants that may provide quadruple play services in the future.

Our Business Strategy

Our long-term business strategy focuses on the continued upgrading of our networks to improve the quality of the service provided to our customers and increase our broadband business penetration, where we see the most potential for future growth and as a result, increasing our revenues and our operating cash flow. The central elements of our long-term strategy include:

- ***Increase our Internet bandwidth penetration and expand our Internet bandwidth services.***

    - We will seek to expand our broadband internet subscriber base by emphasizing our bandwidth capabilities and compelling value offer. We intend to continue to provide and offer bandwidth connectivity to our existing cable television subscribers and to new customers, offering higher speeds and more value at competitive prices. We intend to increase the share of new broadband internet customers and add subscribers from our competitors by launching new products and services with faster speed options tailored to customers' evolving needs, such as the increasing demand for higher speed bandwidth at customers' homes.

    - We will seek to preserve and enhance customer loyalty of our subscriber base by continuing to offer a high-quality bandwidth service with the best selection of speeds in the market at competitive prices through our Fibertel brand. We plan to continue upgrading our two-way coverage and, in addition, we have recently incorporated technology that allows for the addition of high-bandwidth data transfer to an existing cable television (CATV) system (known as Data Over Cable Service Interface Specification or Docsis 3.0) and are currently in the process of upgrading our network to 1Ghz.

- ***Increase our cable television penetration by offering digital TV and other premium digital cable services.*** We seek to grow our cable television subscriber base by providing innovative premium digital services. We plan to continue up-selling premium digital cable services to our existing customer base and to provide innovative multimedia and entertainment service packages to existing and new customers in new areas. We have enhanced our TV product by introducing additional HD channels and premium subscription channels that we offer in packages. We seek to make the greatest amount of content available to customers through the most diverse range of devices, enabling customers to access TV programming from any device at any time. By introducing an innovative "Over-The-Top" online platform, known as "Cablevisión Play," we will seek to increase customer satisfaction and loyalty. This online platform service complements our

video-on-demand (VOD) legacy service through time shift TV services, integral searcher, personalized recommendation engine and cloud DVR, and provides our customers access to a broad library of content such as movies, shows and live sport events (including the following platforms: ESPN Play, Space Go, FOX Play, FOX Play+, Fox Sports Play, TNT GO, HOT GO, HBO GO, Cartoon Network GO, and TyC Sports Play).

- ***Pursue additional growth from our mobile services and by expanding our Wi-Fi network***.

    - We intend to continue to facilitate internet connectivity "any time and anywhere" for our customers. In 2012, we launched "Fibertel Zone," the first Wi-Fi circuit in Argentina, through our fixed fiber optic networks. Users can access a Wi-Fi network free of cost at the best speeds available in bars, restaurants, movie theaters, gyms and parks, among other public spaces. Our network reached approximately 1,500 outside wireless access points in high-usage areas during 2015. We will continue to offer this service to both Fibertel's customers and non-customers, granting our customers certain additional benefits, such as faster speeds, priority in surfing and connection without time limit. We plan to make additional capital investments to increase the number of our Fibertel Zone wireless access points and offer customers and non-customers broader access to Wi-Fi Internet connection.

    - We intend to leverage Nextel, which is the fourth largest cellular operator in Argentina in terms of subscribers, according to *Pyramid*, to expand our mobile telephone services. We plan to combine our fiber optic network with Nextel's network to offer customers fourth generation (4G) access, among other innovative mobile services.

- ***Expand our corporate businesses and branding.*** We will seek to continue developing our corporate businesses through our brand "*FiberCorp,"* seizing the operational advantages of economies of scale created by the capabilities of our fiber optic network, providing connectivity, cloud storage, virtualization sharing, housing and hosting to the corporate sector.

- ***Maintain focus on operational excellence and emphasize customer service***. We believe that customer satisfaction is key to the development and growth of our brand. We continuously monitor our customers' perception of the quality of our services. We closely monitor key performance indicators to assess our operational processes, sales and marketing efficiency and the reliability of our infrastructure. To enhance customer loyalty, we maintain training and development programs for our sales force and call center agents.

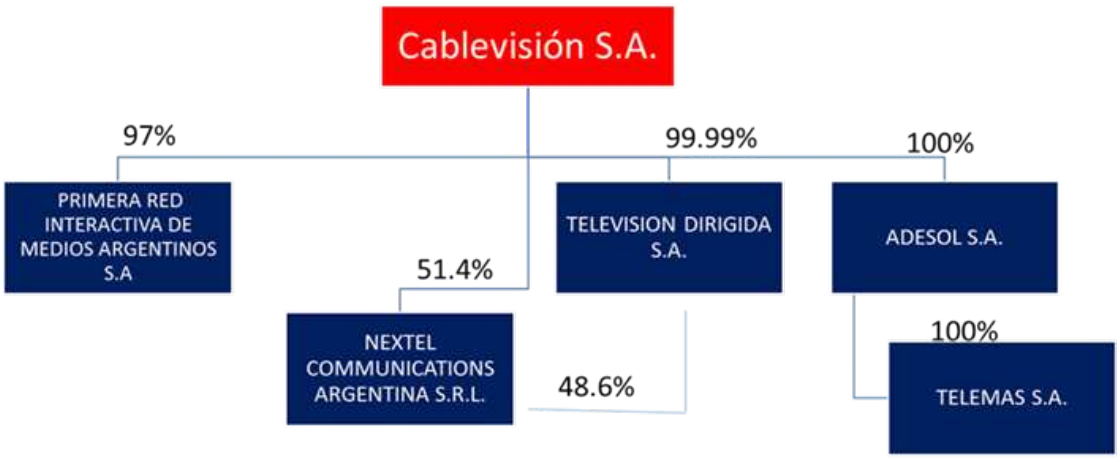
- ***Targeted focus on individual customers.*** We recognize that the various individual members of any household have a unique set of needs and preferences. As a result, we will continue to provide a tailored and targeted offering to our customers in their individual capacities, rather than focusing on household units in a generalized manner. Since single households may have multiple screens, we will seek to tailor our programming and services to meet the demands of each individual customer.

- ***Maintaining and increasing our focus on innovation***. We believe that our cable networks are the most technologically advanced in Argentina and Uruguay. Our fiber optic systems have the advantage of greater capacity and reliability, resistance to electrical interference and cost reductions. These systems can be readily adjusted to accommodate technological developments. We will continue to make investments in our systems and infrastructure, and commit resources to maintain our business on the cutting edge of technological advances and innovation.

Corporate Structure

Cablevisión is a corporation (*sociedad anónima*) organized and operating under the laws of Argentina. Our principal executive office and registered domicile is located at General Hornos 690, Buenos Aires (1272), Argentina, and our telephone number is (5411) 5530-4589. Our website is www.cablevisionfibertel.com.ar. Information posted on our website does not form part of this offering memorandum.

The chart set forth below shows our general consolidated corporate structure:



Our main consolidated subsidiaries are Prima, Nextel, Television Dirigida, Adesol and Telemas S.A. In addition, we hold minority interests in unconsolidated entities providing cable television services, which in the aggregate have approximately 286,000 subscribers. Unless otherwise specified, our subscriber data included in this offering memorandum does not include such subscribers.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our summary consolidated financial information as of and for the fiscal years ended December 31, 2015, 2014 and 2013, and our unaudited condensed consolidated financial information as of and for the three months ended March 31, 2016 and 2015. You should read this information in conjunction with our Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements and their respective related notes, and the information under "Selected financial and operating data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this offering memorandum.

	As of and for the three months ended March 31, (unaudited)			As of and for the year ended December 31,			
	2016	2016	2015	2015	2015	2014	2013
	(in millions of US Dollars)[1]	(in millions of Pesos)		(in millions of US Dollars[1]	(in millions of Pesos)		
Statement of Comprehensive Income Data:							
Revenues	488	7,068	4,559	2,171	20,125	14,226	9,749
Cost of sales [2]	(213)	(3,091)	(2,009)	(997)	(9,244)	(7,233)	(5,280)
Gross income	275	3,977	2,550	1,174	10,881	6,993	4,469
Selling expenses [2]	(67)	(972)	(523)	(272)	(2,525)	(1,803)	(1,312)
Administrative expenses [2]	(52)	(757)	(490)	(283)	(2,628)	(1,728)	(1,284)
Other income and expenses, net	-	1	1	-	2	8	9
Results of acquisition of associates	8	114	-	-	-	-	-
Financial costs	(77)	(1,120)	(260)	(300)	(2,785)	(1,546)	(1,211)
Other financial income and expenses, net	32	466	(52)	(3)	(28)	(61)	8
Financial results	(45)	(653)	(312)	(303)	(2,813)	(1,607)	(1,203)
Equity in earnings from associates	3	37	21	54	505	58	128
Net income before income tax	121	1,747	1,247	369	3,422	1,922	807
Income tax	(38)	(544)	(408)	(98)	(909)	(597)	(61)
Net income for the year	83	1,202	839	271	2,513	1,325	747
Balance Sheet Data:							
Non-current assets	1,011	14,867	10,247	1,156	15,072	10,038	8,651
Current assets	547	8,037	4,847	340	4,436	3,337	2,095
Total assets	1,558	22,904	15,095	1,496	19,509	13,375	10,745
Non-current liabilities	266	3,910	4,242	329	4,294	3,177	2,884
Current liabilities	614	9,024	3,708	498	6,489	3,692	2,639
Total liabilities	880	12,934	7,949	827	10,783	6,869	5,522
Total shareholders' equity	678	9,970	7,145	669	8,726	6,506	5,223

(1) Amounts stated in U.S. Dollars for December 31, 2015 and as of March 31, 2016 have been translated at a rate of Ps. 13.040 per U.S.$1.00 and U.S.$14.700 per U.S.$1.00 respectively which were the average exchange rate for U.S. Dollars quoted by *Banco Nación* for wire transfers (*divisas*) on December 31, 2015 and March 31, 2016, respectively, except for Statement of Comprehensive Income data. Statement of Comprehensive Income Data for the year ended December 31, 2015 has been converted at a rate of Ps.9.270 per U.S.$1.00, the average *Banco Nación* exchange rate for the full year 2015. Comprehensive Statement of Income data for the three months ended March 31, 2016 has been translated at a rate of Ps.14.488 per U.S.$1.00, the average *Banco Nación* exchange rate for the three months ended March 31, 2016.

(2) Includes amortization of intangible assets and depreciation of property, plant and equipment of Ps. 1,566 million, Ps. 1,231 million and Ps. 978 million in aggregate as of December 31, 2015, 2014 and 2013, respectively, and Ps.530 million and Ps. 345 million as of March 31, 2016 and 2015 respectively.

Selected Operating Data and Financial Data

	For the three months ended March 31, (unaudited)			For the year ended December 31,			
	2016	2016	2015	2015	2015	2014	2013
	(in millions of US Dollars)[1][2]	(in millions of Pesos)[3]		(in millions of US Dollars)[1][2]	(in millions of Pesos)[3]		
Adjusted EBITDA[4]	192	2,778	1,881	787	7,295	4,694	2,851
Adjusted EBITDA Margin%	39.3	39.3	41.3	36.2	36.2	33.0	29.2
Active Customer Relationships[5]	N/A	3.87	3.78	N/A	3.87	3.79	3.76
Cable Television Subscribers[6]	N/A	91%	92%	N/A	91%	92%	93%
Broadband Customers[6]	N/A	53%	49%	N/A	53%	48%	45%
ARPU (excluding Nextel)	36	518	388	45	420	300	211
Churn Ratio:							
Cable TV[6]	N/A	15.3%	13.9%	N/A	12.6%	13.6%	12.7%
Broadband [6]	N/A	17.7%	16.8%	N/A	15.6%	16.3%	15.2%
Financial Debt/Adjusted EBITDA[7][8]	N/A	0.62	0.79	N/A	0.62	0.83	1.05
Adjusted EBITDA/Interest Expense[7]	N/A	24.5	18.8	N/A	20.9	15.0	12.2

(1) Except for ARPU, which is in US Dollars, and percentages and ratios.

(2) Peso amounts have been converted at a rate of Ps. 9.270 per U.S.$1.00, which was the average *Banco Nación* exchange rate for the full year 2015, and at the rate of Ps. 14.488 per U.S.$1.00, which was the average *Banco Nación* exchange rate for the three months ended March 31, 2016.

(3) Except for ARPU, which is in Pesos, and percentages and ratios.

(4) We have defined Adjusted EBITDA as revenues minus cost of sales, selling and administrative expenses (excluding depreciation and amortization). We have included information concerning Adjusted EBITDA (which is not a measure of financial performance or liquidity under Argentine GAAP or U.S. GAAP) because we believe it is a financial statistic commonly reported and widely used by analysts and other interested parties. 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. Finally, we understand that Adjusted EBITDA may be defined differently by different companies. Therefore, adjusted EBITDA as reported by other companies may not be comparable to Adjusted EBITDA as reported herein.

(5) Figures in millions.

(6) Subscribers as a percentage of total active customer relationships.

(7) For the 12-month periods ending March, 31 2016 and 2015.

(8) This ratio has been calculated by adding current and non-current financial debt (excluding debt with our Subsidiaries and interest provisions) over EBITDA in U.S. Dollars adjusted to the average exchange rate according to *Banco Nación* as follows: (i) Ps. 9.27 per U.S.$1.00, Ps. 8.12 per U.S.$ 1.00 and Ps. 5.48 per U.S.$1.00 for the years ended December 31, 2015, 2014 and 2013, respectively and (ii) Ps. 10.68 and Ps. 8.39 for the 12 months ended March 31, 2016 and 2015, respectively.

The following table sets forth a reconciliation of Adjusted EBITDA to our revenues for the periods indicated:

	For the three months ended March 31, (unaudited)		For the year ended December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
	(in millions of Pesos)				
Adjusted EBITDA	**2,778**	**1,881**	**7,295**	**4,694**	**2,851**
Amortization of intangible assets and depreciation of property, plant and equipment	(530)	(345)	(1,566)	(1,231)	(978)
Other income and expenses, net	1	1	2	8	9
Result for acquisition of companies	114	-	-	-	-
Financial costs	(1,120)	(260)	(2,785)	(1,546)	(1,211)
Other financial income and expenses, net	466	(52)	(28)	(61)	8
Equity in earnings from associates	37	21	505	58	128
Income Tax	(544)	(408)	(909)	(597)	(61)
Net Income	**1,202**	**839**	**2,513**	**1,325**	**747**

SUMMARY OF THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, see "Description of the Notes" in this offering memorandum.

Issuer	Cablevisión S.A., a corporation organized under Argentine law
Securities Offered	U.S.$500,000,000 aggregate principal amount of 6.500% notes due 2021.
Series	Series A under our U.S.$1,000,000,000 Medium Term Note Program.
Issue Price	100.000%, plus accrued interest, if any, from June 15, 2016.
Maturity	June 15, 2021.
Interest	Interest on the notes accrues at a rate of 6.500% per year.
Interest Payment Dates	Interest on the notes are payable semiannually in arrears on June 15 and December 15 of each year, beginning on December 15, 2016.
Ranking	The notes will be our general, unsecured obligations, ranking equally without any preference among themselves and with all of our other present and future unsecured and unsubordinated indebtedness from time to time outstanding, except as otherwise provided by law. The notes will be effectively subordinated to all of our existing and future secured obligations to the extent of the value of the assets securing such obligations, and to all of the existing and future obligations of our subsidiaries. As of March 31, 2016, our consolidated indebtedness was Ps. 7,174 million (U.S.$488 million), all of which was unsecured and of which Ps. 2 million related to our subsidiaries. As adjusted to give effect to the issuance of the notes and the use of the net proceeds of this offering, we expect to have approximately Ps. 8,441 million (U.S.$574 million) of consolidated indebtedness, of which none is expected to be secured and our subsidiaries will have no indebtedness with third parties.
Additional Amounts	All payments by us of principal, premium, if any, and interest in respect of the notes will be made without withholding or deduction for or on account of, any present or future taxes and duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Argentina or by or within any political subdivision thereof or authority therein or thereof having power to tax, unless required by law, in which case, subject to specified exceptions and limitations, we will pay such additional amounts as may be required so that the net amount received by the holders of the notes, after any such withholding or deduction, will not be less than the amount that would have been received in the absence of any such withholding or deduction. See "Description of the Notes—Additional Amounts."

Optional Redemption.....	*Make-Whole Redemption.* We may redeem the notes, in whole but not in part, at any time prior to June 15, 2019, at a redemption price equal to (A) 100% of the principal amount of such notes, plus accrued and unpaid interest (including Additional Amounts, if any) to the redemption date, plus (B) a "make-whole" amount, as described under "Description of the Notes—Optional Redemption—Optional Redemption with a Make-Whole Premium." *Optional Redemption without a Make-Whole Premium*. At any time and from time to time on or after June 15, 2019, we may redeem the notes, at our option, in whole or in part, at redemption prices described in this offering memorandum, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. *Optional Redemption with Proceeds of Certain Equity Offerings*. At any time, or from time to time, on or prior to June 15, 2019, we may redeem up to 35% of the notes with the net cash proceeds of certain equity offerings. See "Description of the Notes—Optional Redemption —Optional Redemption with Proceeds of Equity Offerings." *Tax Redemption.* We may redeem the notes, in whole but not in part, subject to applicable Argentine laws, at a price equal to 100% of the principal amount plus accrued and unpaid interest thereon to the redemption date and any additional amounts, upon the occurrence of certain changes in tax law. See "Description of the Notes—Optional Redemption—Optional Redemption upon a Tax Event."
Change of Control	If we experience a Change of Control (as defined herein), we might be required to repurchase the notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to the purchase date. See "Description of the Notes—Certain Covenants—Repurchase of Notes upon a Change of Control."
Certain Covenants.....	The indenture governing the notes contains covenants that will, among other things, limit our and our restricted subsidiaries' ability to, among other things: • incur or guarantee additional indebtedness; • pay dividends or make other distributions or repurchase or redeem our capital stock; • make loans and investments; • sell assets; • incur liens; • enter into transactions with affiliates; • enter into agreements restricting our restricted subsidiaries' ability to pay dividends; and

	• consolidate, merge or sell all or substantially all of our assets. These covenants are subject to a number of important qualifications and exceptions. Many of these covenants will not apply to us or our restricted subsidiaries during any period in which the notes are rated investment grade by at least two rating agencies. For more information, see "Description of the Notes—Certain Covenants."
Use of Proceeds	We intend to use the net proceeds from this offering to repay indebtedness, invest in fixed assets and to fund other capital expenditures. See "Use of Proceeds."
Further Issuances	We may from time to time, without notice to or consent of the holders of the notes, create and issue additional notes of the same series as the notes initially issued in this offering.
Listing.....	We have applied to have the notes listed on the Luxembourg Stock Exchange for trading on its Euro MTF Market. We have also applied to have the notes listed and admitted for trading on the MERVAL, through the BCBA, and on the MAE. There can be no assurance that these applications will be accepted.
Form of Notes, Clearing and Settlement	The notes were issued in the form of one or more global notes without coupons, registered in the name of a nominee of DTC, as depositary, for the accounts of its direct and indirect participants, including Euroclear and Clearstream. The notes were issued in minimum denominations of U.S.$1,000 and integral multiples of U.S.$1,000 in excess thereof, and will have a minimum subscription amount of U.S.$150,000. See "General Information—Clearing."
Transfer Restrictions.....	We have not registered the notes under the Securities Act. The notes are subject to restrictions on transfer and may only be offered in transactions exempt from or not subject to the registration requirements of the Securities Act. See "Transfer Restrictions."
Governing Law	The indenture and the notes are governed by, and will be construed in accordance with, the law of the State of New York; *provided* that the Negotiable Obligations Law shall govern the requirements for the notes to qualify as *obligaciones negociables* thereunder while such law, together with Argentine General Corporations Law No. 19,550, as amended, the Argentine Capital Markets Law, the CNV Rules and other applicable Argentine laws and regulations, govern the capacity and corporate authorization of the Issuer to execute and deliver the notes, the authorization of the CNV for the public offering of the notes in Argentina and certain matters in relation to meetings of holders.
Initial Purchasers	Deutsche Bank Securities Inc., Itau BBA USA Securities Inc., J.P. Morgan Securities LLC.
Argentine Placement Agents	Banco Itaú Argentina S.A. and the Industrial Commercial Bank of China (Argentina) S.A.

Trustee, Registrar, Transfer Agent and Paying Agent	Deutsche Bank Trust Company Americas.
Representative of the Trustee in Argentina, Argentine Registrar and Transfer Agent and Argentine Paying Agent.....	Deutsche Bank S.A.
Luxembourg Listing Agent, Paying Agent and Transfer Agent	Deutsche Bank Luxembourg S.A.
Taxation.....	For a summary of certain Argentine tax consequences and U.S. federal income tax consequences of an investment in the notes, see "Taxation."
Placement of the Notes in Argentina	The notes are offered to the public in Argentina by means of the Argentine Offering Memorandum, which is in accordance with CNV regulations and contain substantially the same information as the offering memorandum other than with respect to the description of U.S. securities and tax laws that are relevant to the notes, but in a different format. The Argentine Offering Memorandum is available to the general public in Argentina.
Risk Factors	You should carefully consider all of the information in this offering memorandum. See "Risk Factors" in this offering memorandum for a description of the certain significant risks in connection with an investment in the notes.

RISK FACTORS

An investment in the notes involves a significant degree of risk. Before deciding to purchase the notes, you should read carefully all of the information contained in this offering memorandum, including, in particular, the following risk factors.

Risks Relating to Our Business

Substantially all of our revenues are generated in Argentina and thus are highly dependent on economic and political conditions in Argentina

Cablevisión is an Argentine corporation (*sociedad anónima*). Substantially all of our assets and operations and subscribers are located in Argentina. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic, regulatory, social and political conditions prevailing in Argentina, including the level of growth, inflation rates, foreign exchange rates, interest rates and other local, regional and international events and conditions that may affect Argentina. Between 2007 and 2015, the governments under the Fernández de Kirchner administrations increased direct intervention in the Argentine economy, including through the implementation of expropriation measures, price controls, exchange controls and changes in laws and regulations affecting foreign trade and investment. See "—Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations." These measures had a material adverse effect on private sector entities, including us. We cannot assure you that similar measures will not be adopted by the current or future Argentine government or that economic, social and political developments in Argentina, over which we have no control, will not have a material adverse effect on the Argentine economy and, in turn, adversely affect our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—The Argentine Economy."

The transfer of assets and assumption of liabilities by us as a result of the merger with Multicanal and other companies approved by the CNV is subject to registration with the Registry of Public Commerce

We, Multicanal, Holding Teledigital Cable S.A., Teledigigital Cable S.A., Televisora La Plata Sociedad Anónima, Pampa TV S.A., Construred S.A., Cablepost S.A. y Delta Cable S.A, entered into a corporate reorganization pursuant to Law No. 19,550 (the "Argentine Corporations Law"). As a result of this corporate reorganization, we, as the surviving entity, acquired the assets and assumed the liabilities, rights and obligations of Multicanal, Holding Teledigital Cable S.A., Teledigigital Cable S.A., Televisora La Plata Sociedad Anónima, Pampa TV S.A., Construred S.A., Cablepost S.A. y Delta Cable S.A (the "Merged Companies") as of October 1, 2008 (the "Merger").

Accordingly, the Merger covers all activities, credits, tangible and intangible assets, intellectual property, stock, commercial paper and rights and obligations of the Merged Companies, whether existing as of the date of the Merger or later acquired by such Merged Companies. As a result of the Merger, the Merged Companies transferred all of their employees to us, and we assumed all labor and social security obligations with respect to such employees, in addition to any liability arising from such obligations.

As of the date of the Merger, all assets, liabilities, rights and obligations of the Merged Companies are under the administration of our board of directors, whose resolutions are binding for such Merged Companies. Therefore, all activities and operations of the Merged Companies are considered our activities and operations, regardless of whether they are performed by the Merged Companies in their own name for legal, administrative, commercial or technical reasons.

As a result of the Merger, we increased our capital stock and reformed our organizational documents.

Pursuant to applicable law, (i) we requested the CNV's administrative approval of the Merger and amendment to our organizational documents, (ii) Multicanal requested the CNV's administrative approval of its dissolution as a result of the Merger, the cancellation of its authorization to issue public debt and the assignment of

such authorization to us and (iii) the remaining merged companies requested that the *Inspección General de Justicia* (Registry of Public Commerce, or "IGJ") register their respective dissolutions without liquidation.

On May 13, 2016, the CNV issued Resolutions No. 18, 046, 18,407 and 18,0481, pursuant to which it recognized the aforementioned corporate reorganization, the amendment to our organizational documents approved by our shareholders, Multicanal's dissolution without liquidation, the cancellation of Multicanal's previously granted authorization to issue public debt and the assignment of such authorization to us.

Pursuant to article 82 of the Argentine Corporations Law, we assume all rights, obligations and patrimony of the dissolved entities once the merger agreement is registered with the IGJ. We believe the registration of the Merger before the IGJ has declarative effects, and that the registration provides *erga ommnes* effects to the approval, making it enforceable against third parties. As of the date of this offering memorandum, both the Merger and the dissolution of Multicanal have been filed with the Registry Department of the IGJ, but have not yet been registered.

Technological advances and replacement of our equipment may require us to make significant expenditures to maintain and improve the competitiveness of the services we offer

The cable and broadband industries are subject to significant changes in technology and the introduction of new products and services. We cannot predict the effect of technological changes on our business. New services and technological advances are likely to offer additional opportunities to compete against us on the basis of cost, quality or functionality. It may not be practicable or cost-effective for us to replace or upgrade our installed technologies in response to our competitors' actions. Responding to such change may require us to devote substantial capital to the development, procurement or implementation of new technologies, and may depend on the final cost in local currency of imported technology and our ability to obtain additional financing. No assurance can be given that we will have the funds to make the capital expenditures to improve our systems, compete with others in the market or replace our equipment.

The media industry is a dynamic and evolving industry, and if it does not develop and expand as we currently expect, our business may suffer

We expect to derive an increasing amount of revenues from our cable television and Internet operations, but we may not do so if these non-traditional media operations do not develop and expand as we currently expect. The role of cable television in Argentina became increasingly important in the past. More recently, non-traditional technologies, including "Over-The-Top" services (which are services provided by a telecommunications provider through IP networks not necessarily owned by the provider, including communications, content and cloud-based offerings), such as Netflix or HBO, have come to play a larger role in the Argentine telecommunications industry. These companies take advantage of the deregulation of the sector to bring their services through third-party networks without paying any fee or right to use it. These technology and new services areas are in the early stages of development, and growth may be inhibited for a number of reasons, including:

- the cost of connectivity;
- concerns about security, reliability, and privacy;
- unexpected changes in the regulatory framework;
- the appearance of technological innovations;
- the ease of use; and
- the quality of service.

Our business, financial condition and results of operations will be materially and adversely affected if these markets do not continue to grow or grow more slowly than we anticipate.

In addition, unlike the Argentine cable television industry, which has traditionally been dominated by companies located in Argentina, our competitors may be based outside of Argentina and enjoy certain competitive advantages such as scale and access to financial resources on terms that are better than those available to us.

We may not be able to renew programming contracts on favorable terms

We purchase basic and premium programming from approximately 52 programming suppliers. Several programming suppliers agreed to offer us volume discount pricing structures because of our growth and market share. Following Argentina's economic crisis in 2002, we renegotiated the terms of a majority of the respective programming contracts that had originally been denominated in U.S. Dollars to provide for Peso-denominated pricing formulas that were generally linked to the number of subscribers and eliminated minimum purchase requirements. As a result of the renegotiation, contract terms were generally shortened and pricing provisions were adjusted in order to transfer the benefit of increases in the monthly fee for basic cable television services to the programming companies. The new contracts also provided for automatic termination upon the occurrence of major macroeconomic disruptions. We cannot assure you that we will continue to be able to regularly negotiate renewals of our programming contracts at current cost levels, particularly since many of our suppliers have U.S. Dollar-based costs. Additionally, suppliers are expected to seek price increases as a reflection of improved economic conditions in Argentina. There can similarly be no assurances that we will be able to obtain volume discounts in the future.

We may not be able to renew some leases of the facilities for the installation of our cable system

Our programming is distributed through wire networks installed in facilities leased from third parties, either through the lease of space on roofs or on utility poles. We regularly renegotiate the renewal of our short-term lease contracts for the use of poles in different areas of the country in the ordinary course of our business. If we are not able to renew some of those lease contracts, our operations in such areas may be suspended if alternative third party facilities are not promptly obtained on a cost-efficient basis. Underground distribution of our wire network would require additional governmental authorizations and significant capital expenditures that we may not be able to afford or that we may be restricted from making pursuant to the terms and conditions of our indebtedness and our existing covenants. There can be no assurance that such renewals of lease contracts will be granted.

We may not be in compliance with local ordinances

We were initially required to bring our cable systems fully into compliance with municipal regulations prohibiting above-ground cables in Mar del Plata by November 2001, although pursuant to a modification in municipal regulations in February 2005, the deadline was extended to December 2007. We will seek to continue to upgrade our existing cable systems, including any network upgrades or modifications required by regulatory or local authorities if we have sufficient cash flow and financing is available at commercially attractive rates. The applicable ordinance provides that certain penalties may be imposed, including the suspension of the right to use the air space; however the city generally has not imposed penalties on non-compliant cable systems. As of the date of this offering memorandum, no fines have been imposed in relation to this matter.

Our revenues may be adversely affected by an increase in our churn rates

Our revenues depend partially on our ability to retain customers by limiting our churn rates. The churn rate is determined by calculating the total number of disconnected customers over a given period as a percentage of the initial number of customers for the same period. We seek to enforce a strict disconnection policy, which provides for the disconnection of cable television services after a three-month period of non-payment and delivery of a notice of disconnection. With respect to broadband, we disconnect our services after a two-month period of non-payment and delivery of a corresponding notice of disconnection. For the three months ended March 31, 2016, our cable customer churn rate was 15.3% and our broadband customer churn rate was 17.7%. To minimize our annual churn rates we pursue a vigorous customer service and retention policy. Any substantial increase in our churn rates may have a material adverse effect on our revenues and results of operations.

The majority of our workforce is unionized and we may be subject to organized labor action, including work stoppages and litigation

As of December 31, 2015, approximately 75.9% of our employees were unionized. Notwithstanding the fact that our relationship with these unions remains stable as of the date of this offering memorandum, any tensions with the unions in the future may result in strikes or litigation, which could have a substantial adverse effect our business and results of operations.

Risks Relating to Argentina

The Argentine economy remains vulnerable and any significant decline could adversely affect our financial condition

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation. Sustainable economic growth in Argentina is dependent on a variety of factors, including the international demand for Argentine exports, the stability and competitiveness of the Peso against foreign currencies, confidence among consumers and foreign and domestic investors, a stable rate of inflation, national employment levels and the political circumstances of Argentina's regional trade partners.

The Argentine economy remains vulnerable, as reflected by the following economic conditions:

- Inflation remains high and may continue at similar levels in the future;
- According to preliminary estimates, real gross domestic product ("GDP") growth increased by 2.1% in 2015 as compared to 0.5% in 2014 and 2.9% in 2013 according to INDEC, and previous GDP performance has depended to some extent on high commodity prices which, despite having a favorable long-term trend, are volatile in the short-term and beyond the control of the Argentine government and private sector;
- Argentina's public debt as a percentage of GDP remains high;
- the discretionary increase in public expenditures has resulted and could continue to result in a fiscal deficit;
- investment as a percentage of GDP remains too low to sustain the growth rate of the past decade;
- a significant number of protests or strikes could take place, as they did in the past, which could adversely affect various sectors of the Argentine economy;
- energy or natural gas supply may not be sufficient to supply industrial activity (thereby limiting industrial development) and consumption;
- unemployment and informal employment remains high; and
- in the climate created by the above-mentioned conditions, demand for foreign currency could grow, generating a capital flight effect as in recent years.

As in the recent past, Argentina's economy may be adversely affected if political and social pressures inhibit the implementation by the Argentine government of policies designed to control inflation, generate growth and enhance consumer and investor confidence, or if policies implemented by the Argentine government that are

designed to achieve these goals are not successful. These events could materially adversely affect our financial condition and results of operations.

We cannot assure you that a decline in economic growth, increased economic instability or an expansion of economic policies and measures taken by the Argentine government to control inflation or address other macroeconomic developments that affect private sector entities such as us, all developments over which we have no control, would not have an adverse effect on our business, financial condition or results of operations.

The impact of the recent presidential, state and congressional elections on the future economic and political environment of Argentina is uncertain, but likely to be material

Presidential, state and congressional elections in Argentina took place on October 25, 2015, and a runoff election (*ballotage*) between the two leading presidential candidates was held on November 22, 2015, which resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration assumed office on December 10, 2015.

Since assuming office, the Macri administration has announced and implemented several significant economic and policy reforms, including:

- *INDEC reforms*. On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to consumer price index ("CPI"), GDP, poverty and foreign trade data, the Macri administration declared the national statistical system and the INDEC in a state of administrative emergency through December 31, 2016. It is expected that the INDEC will implement certain methodological reforms and adjust certain macroeconomic statistics on the basis of these reforms. See "—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the notes." As of the date of this offering memorandum, the INDEC has begun publishing certain revised data, including foreign trade and balance of payment statistics although it remains in a state of administrative emergency.

- *Foreign exchange reforms.* The Macri administration eliminated a significant portion of foreign exchange restrictions, including certain currency controls, that were imposed under the Fernández de Kirchner administration. These reforms are expected to provide greater flexibility and easier access to the foreign exchange market (the "MULC"). The principal measures adopted as of the date of this offering memorandum include:

    (i) the reestablishment of Argentine residents' rights to purchase and remit foreign currency outside of Argentina in an amount up to U.S.$5.0 million per month without specific allocation (*atesoramiento*);

    (ii) the effective elimination of a mandatory, non-transferable and non-interest bearing deposit in connection with certain transactions involving foreign currency inflows by reducing the amount of the deposit from 30% of such transactions to 0%;

    (iii) the elimination of the requirement to transfer and settle the proceeds from new foreign financial indebtedness incurred by the foreign financial sector, the non-financial private sector and local governments through the MULC (except that evidence of mandatory transfer and settlement of the proceeds of any such foreign financial indebtedness funds through the MULC will still be required for subsequent access to the MULC in order to repay principal and interest of such indebtedness); and

    (iv) the reduction of the mandatory minimum stay period, from 365 calendar days to 120 calendar days, applicable to the proceeds of any new financial indebtedness and renewal of existing indebtedness incurred by residents, held by foreign creditors and transferred through the MULC.

- *Foreign trade reforms*. The Kirchner and Fernández de Kirchner administrations imposed export duties and other restrictions on several sectors, particularly the agricultural sector. The Macri administration eliminated export duties on wheat, corn, beef, mining and regional products, and reduced the duty on soybean exports by 5%, from 35% to 30%. Further, a 5% export duty on most industrial exports was eliminated. With respect to payments for imports of goods and services the Macri administration announced the elimination of amount limitations for access to the MULC for any new transactions as of December 17, 2015 and for existing debts for imports of goods and services as of April 22, 2016.

- *Fiscal policy.* The Macri administration took steps to anchor the fiscal accounts, reducing the primary fiscal deficit by approximately 1.3% of GDP in December 2015 through a series of tax and other measures and will pursue a primary fiscal deficit target of 4.8% of GDP in 2016 through the elimination of subsidies and the reorganization of certain expenditures.

- *Correction of monetary imbalances.* The Macri administration announced the adoption of a inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years, including a target range of 20% to 25% for 2016. The Central Bank has increased sterilization efforts to reduce excess monetary imbalances and also raised Peso interest rates to counterbalance inflationary pressure.

- *Primary Balance*. The Argentine government announced its intention to reduce the primary deficit from approximately 5.8% of GDP in 2015 to 4.8% of GDP in 2016 and 3.3% of GDP in 2017, in part by eliminating public services subsidies that were currently in place, such as those applying to electricity and gas services.

- *National electricity state of emergency and reforms*. Following years of very limited investment in the energy sector, as well as the continued freeze on electricity and natural gas tariffs since the 2001-2002 economic crisis, Argentina began to experience energy shortages in 2011. In response to the growing energy crisis, the Macri administration declared a state of emergency with respect to the national electricity system, which will remain in effect until December 31, 2017. The state of emergency will allow the Argentine government to take actions designed to ensure the supply of electricity to the country, such as instructing the Ministry of Energy and Mining to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system. In addition, the Macri administration announced the elimination of some energy subsidies currently in effect and a substantial increase in electricity rates. Resolution No. 6/2016 establishes increases in seasonal reference prices for power and energy between January 1, 2016 and April 30, 2016, thereby significantly reducing existing subsidies. As a result, average prices are expected to increase by 500% or more. By correcting tariffs, modifying the regulatory framework and eliminating the Argentine government's role as an active market participant, the Macri administration aims to correct distortions in the energy sector and stimulate investment.

In addition, on April 18, 2016, the Argentine government submitted to Congress a draft bill to amend the Value Added Tax ("VAT") regime to permit rebates of VAT paid on the purchase of certain basic food products by retired taxpayers that receive minimum pensions as well as beneficiaries of social programs. As of the date of this offering memorandum, the bill has not yet been addressed by Congress.

The Macri administration does not have a majority of seats in the Argentine Congress and, therefore, it may be difficult to adopt some of those measures unless he obtains support from the opposition, creating further uncertainty as to the ability of the Macri administration to pass any measure that it expects to implement. Such political uncertainty in respect of economic measures could lead to volatility in the market prices of securities of Argentine companies.

The fiscal, monetary and currency adjustments undertaken by the Macri administration may subdue growth in the short term, but seek to guide the economy toward a sustained path for growth in the medium-term. Immediately after the foreign exchange controls were lifted on December 16, 2015, the dismantling of the multiple exchange regime resulted in the official Peso exchange rate (available only for certain types of transactions) falling

in value by 40.1%, as the Peso-U.S. Dollar exchange rate reached Ps. 13.76 to U.S.$1.00 on December 17, 2015. The Central Bank has since allowed the Peso to float with limited intervention intended to ensure the orderly operation of the foreign exchange market. On April 29, 2016, the exchange rate was Ps. 14.258 to U.S.$1.00. There can be no assurance as to the short- or long-term effects of these policies.

As of the date of this offering memorandum, the impact that these measures and any future measures taken by the new administration will have on the Argentine economy as a whole and the telecommunications industry in particular cannot be predicted. Such economic liberalization could be disruptive to the economy and fail to benefit, or harm, our business. There remains uncertainty as to which measures announced during the presidential campaign will be taken by the Macri administration and when these would be implemented, if ever. In particular, we have no control over the implementation of the reforms to the regulatory framework that governs our operations and cannot guarantee that these reforms will be implemented or implemented in a manner that will benefit our business. The failure of these measures to achieve their intended goals could adversely affect the Argentina economy and our ability to service our debt obligations, including the notes.

If the current levels of inflation do not decrease, the Argentine economy could be adversely affected

Historically, inflation has materially undermined the Argentine economy and the Argentine government's ability to create conditions that permit growth. In recent years, Argentina has experienced high inflation rates. See "—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the notes" below.

In January and February 2016, the City of Buenos Aires CPI measured the monthly inflation rate as 4.1% and 4.0%, respectively, while according to the Province of San Luis CPI, the inflation rate was 4.2% and 2.7%, respectively. In the past, and throughout the Fernández de Kirchner administration, the Argentine government has implemented programs to control inflation and monitor prices for essential goods and services, including attempts to freeze the price of certain supermarket products, and price support arrangements agreed between the Argentine government and private sector companies in several industries and markets that did not address the structural causes of inflation and failed to reduce inflation.

High inflation rates affect Argentina's foreign competitiveness, social and economic inequality, negatively impacts employment, consumption and the level of economic activity and undermines confidence in Argentina's banking system, which could further limit the availability of and access by local companies to domestic and international credit.

Inflation remains a challenge for Argentina given its persistent nature in recent years. The Macri administration has announced its intention to reduce the primary fiscal deficit as a percentage of GDP over time and also reduce the Argentine government's reliance on Central Bank financing. If, despite the measures adopted by the Macri administration, these measures fail to address Argentina's structural inflationary imbalances, the current levels of inflation may continue and have an adverse effect on Argentina's economy and financial condition. Inflation can also lead to an increase in Argentina's debt. Inflation in Argentina has contributed to a material increase in our costs of operation, in particular labor costs, and negatively impacted our results of operations, financial position and business.

Inflation rates could escalate in the future, and there is uncertainty regarding the effects that the measures adopted, or that may be adopted in the future, by the Argentine government to control inflation may have. See "—Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations." Increased inflation could adversely affect the Argentine economy and our ability to service our debt obligations, including the notes.

The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the notes

During the presidency of Fernández de Kirchner, the INDEC, the Argentine government's principal statistical agency, underwent institutional and methodological reforms that gave rise to controversy regarding the reliability of the information that it produced. Reports published by the IMF have stated that their staff uses alternative measures of inflation for macroeconomic surveillance, including data produced by private sources, which have shown inflation rates considerably higher than those published by the INDEC between 2007 and 2015. The IMF also censured Argentina for failing to make sufficient progress, as required under the Articles of Agreement of the IMF, in adopting remedial measures to address the quality of official data, including inflation and GDP data

On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to its CPI, GDP, foreign trade and poverty data, the Macri administration declared the national statistical system and the INDEC in a state of administrative emergency through December 31, 2016. The INDEC suspended publication of certain statistical data until it completes a reorganization of its technical and administrative structure to recover its ability to produce sufficient and reliable statistical information. During this reorganization period, which is expected to last approximately six months, the INDEC will publish official CPI figures published by the City of Buenos Aires and the Province of San Luis for reference.

The Argentine government's announced reforms seek to produce official data that meets international standards. In order to be effective, however, such reforms require certain implementation steps and the timely collection of data, which the Argentine government does not control. If these reforms cannot be successfully implemented, such failure may adversely affect the Argentine economy, in particular by undermining expectations that its performance will improve. The INDEC's past or future data may be materially revised to reveal a different economic or financial situation in Argentina, which could affect your investment decision with respect to the notes and your evaluation of the notes' market value. In addition, uncertainty with respect to the success of the measures taken to implement the expected changes may impair measures taken by the Central Bank to tackle inflation, which, in turn, could have a negative impact on Argentina's economy and, as a result, could have an adverse effect on our ability to access international capital markets to finance our operations and growth, which could adversely affect our results of operations and financial condition.

Fluctuations in the value of the Peso could adversely affect the Argentine economy and, in turn, adversely affect our results of operations

Fluctuations in the value of the Peso may also adversely affect the Argentine economy, our financial condition and results of operations. While most of our debt and a portion of our operating costs and expenses are denominated in U.S. Dollars, our revenues are generated primarily in Pesos. We are therefore exposed to the risks associated with the fluctuation of the Peso relative to the U.S. Dollar. The devaluation of the Peso may have a negative impact on the ability of certain Argentine businesses to service their foreign currency-denominated debt, lead to inflation, significantly reduce real wages and jeopardize the stability of businesses, such as ours, whose success depends on domestic market demand and adversely affect the Argentine government's ability to honor its foreign debt obligations. After several years of moderate variations in the nominal exchange rate, the Peso lost more than 30% of its value with respect to the U.S. Dollar in each of 2013, 2014 and 2015.

Persistent high inflation during 2013, 2014 and 2015, together with formal and de facto exchange controls, resulted in an increasingly overvalued official exchange rate. Compounded by the effects of foreign exchange controls and restrictions on foreign trade, these highly distorted relative prices resulted in the loss of competitiveness of Argentine production, impeded investment and caused economic stagnation. A significant appreciation of the Peso against the U.S. Dollar also presents risks for the Argentine economy, including the possibility of a reduction in exports (as a consequence of the loss of external competitiveness). Any such appreciation could also have a negative effect on economic growth and employment and reduce tax revenues in real terms.

From time to time, the Central Bank may intervene in the foreign exchange market in order to maintain the currency. Additional volatility, appreciation or depreciation of the Peso or reduction of the Central Bank's reserves as a result of currency intervention could adversely affect the Argentine economy and our ability to service our debt obligations, including the notes.

If the Peso devalues further, the negative effects on the Argentine economy could have adverse consequences for our business and results of operations.

Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations

The two administrations of President Fernández de Kirchner, who governed from 2008 through December 9, 2015, increased state intervention in the Argentine economy, including through expropriation and nationalization measures, price controls and pervasive exchange controls.

In 2008, the Fernández de Kirchner administration absorbed and replaced the former private pension system for a public "pay as you go" pension system. As a result, all resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to a separate fund (*Fondo de Garantía de Sustentabilidad*, or the "FGS") to be administered by the National Social Security Administration (*Administración Nacional de la Seguridad Social*, or the "ANSES"). The dissolution of the private pension funds and the transfer of their financial assets to the FGS have had important repercussions on the financing of private sector companies. Debt and equity instruments which previously could be placed with pension fund administrators are now entirely subject to the discretion of the ANSES. Since acquiring equity interests in privately owned companies, including a 9.0% interest in Grupo Clarín, through the process of replacing the pension system, the ANSES is entitled to designate representatives of the Argentine government to the boards of directors of those entities. Pursuant to Decree No. 1,278/12, issued by the Executive Branch on July 25, 2012, the ANSES's representatives must report directly to the Ministry of Economy and are subject to a mandatory information-sharing regime, under which, among other obligations, the representatives must immediately inform the Ministry of Economy of the agenda for each board of directors' meeting and provide related documentation.

In April 2012, the Fernández de Kirchner administration decreed the removal of directors and senior officers of YPF S.A. ("YPF"), the country's largest oil and gas company, which was controlled by the Spanish group Repsol, and submitted a bill to the Argentine Congress to expropriate shares held by Repsol representing 51% of the shares of YPF. The Argentine Congress approved the bill in May 2012 through the passage of Law No. 26,741, which declared the production, industrialization, transportation and marketing of hydrocarbons to be activities of public interest and fundamental policies of Argentina and empowered the Argentine government to adopt any measures necessary to achieve self-sufficiency in hydrocarbon supply. In February 2014, the Argentine government and Repsol announced that they had reached an agreement on the terms of the compensation payable to Repsol for the expropriation of the YPF shares. Such compensation totaled U.S.$5 billion payable by delivery of Argentine sovereign bonds with various maturities. The agreement, which was ratified by Law No. 26,932, settled the claim filed by Repsol with the ICSID.

Law No. 26,991 (the "Supply Law") became effective on September 28, 2014. The Supply Law applies to all economic processes linked to goods, facilities and services which, either directly or indirectly, satisfy basic needs of the population ("Basic Needs Goods") and grants broad delegations of power to its enforcing agency to become involved in such processes. It also empowers the enforcing agency to order the sale, production, distribution and/or delivery of Basic Needs Goods throughout the country in case of a shortage of supply.

In February 2015, the Fernández de Kirchner administration sent a bill to Congress in order to revoke certain train concessions, return the national rail network to state control and provide powers to review all concessions currently in force. The bill was enacted on May 20, 2015 as Law No. 27,132.

Law No. 27,181, enacted on September 23, 2015, affords certain protections, as a matter of public interest, to any equity interests held by the Argentine government as part of the investment portfolio of the FGS and to any shares or equity interests held by the Argentine government or the Ministry of Economy and Public Finance as a minority shareholder. Pursuant to this law, unless written approval is granted by two-thirds of the members of the Argentine Congress, the transfer and/or any other acts or actions that might restrict, modify, eliminate or change the use, ownership or nature of such shares, the legal title thereto, any income derived therefrom or the use of such income are prohibited. The Argentine government's shares in YPF, however, are excepted from the scope of Law No. 27,181. Additionally, Law No. 27,181 created the National Government Equity Holdings Agency (*Agencia Nacional de Participaciones Estatales en Empresas*), a decentralized agency operating under the scope of the Argentine Executive Branch, which is in charge of implementing policies and actions related to the exercise by the Argentine government of any rights arising out of its equity holdings.

It is widely reported by private economists that expropriations, price controls, exchange controls and other direct involvement by the Fernández de Kirchner administration in the economy had an adverse impact on the level of investment in Argentina, the access of Argentine companies to the international capital markets and Argentina's commercial and diplomatic relations with other countries. Further actions taken by the Argentine government concerning the economy, including decisions with respect to interest rates, taxes, price controls, salary increases, provision of additional employee benefits, foreign exchange controls and potential changes in the foreign exchange market could continue to have a material adverse effect on Argentina's economic growth and in turn affect our financial condition and results of operations. Moreover, any additional Argentine government policies established to preempt, or in response to, social unrest could adversely and materially affect the economy, and therefore our business, results of operations and financial condition.

Government measures, as well as pressure from labor unions, could require salary increases or added benefits, all of which could increase companies' operating costs

In the past, the Argentine government has passed laws and regulations forcing privately owned companies to maintain certain wage levels and provide added benefits for their employees. Additionally, both public and private employers have been subject to strong pressure from the workforce and trade unions to grant salary increases and certain benefits. See "—Risks Relating to Our Business—The majority of our workforce is unionized and we may be subject to organized labor action, including work stoppages and litigation."

Labor relations in Argentina are governed by specific legislation, such as labor Law No. 20,744 and Collective Bargaining Law No. 14,250, which, among other things, dictate how salary and other labor negotiations are to be conducted. Every industrial or commercial activity is regulated by a specific collective bargaining agreement that groups companies together according to industry sector and trade union. Although the process of negotiation is standardized, each chamber of industrial or commercial activity separately negotiates the increases of salaries and labor benefits with the relevant trade union of such commercial or industrial activity.

Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to the high levels of inflation, employees and labor organizations are demanding significant wage increases. In August 2012, the Argentine government established a 25% increase in minimum monthly salary to Ps. 2,875, effective as of February 2013. The Argentine government increased the minimum salary to Ps. 3,300 in August 2013, to Ps. 3,600 in January 2014, to Ps. 4,400 in September 2014 and to Ps. 5,588 in August 2015. It further decreed an increase of the maximum salary applicable in January 2016 to Ps. 6,060. Due to high levels of inflation, both public and private sector employers are experiencing significant pressure from unions and their employees to further increase salaries. In 2015, various unions and employers' associations agreed salary increases of over 25%. Since the beginning of 2016, discussions have been carried out with most of the unions, contemplating salary increases of approximately 30%.

In the future, the Argentine government could take new measures requiring salary increases or additional benefits for workers, and the labor force and labor unions may apply pressure for such measures. Any such increase in wage or worker benefit could result in added costs and reduced results of operations for Argentine companies, including us. Such added costs could adversely affect our business, financial condition, result of operations and our ability to make payments under the notes.

The implementation of new exchange controls and restrictions on capital inflows and outflows could limit the availability of international credit and could threaten the financial system, adversely affecting the Argentine economy and, as a result, our business

In 2001 and 2002, Argentina imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. After 2002, these restrictions, including those requiring the Central Bank's prior authorization for the transfer of funds abroad to pay principal and interest on debt obligations, were substantially eased through 2007. In addition to the foreign exchange restrictions applicable to outflows, in June 2005 the Argentine government adopted various rules and regulations that established new restrictive controls on capital inflows into Argentina, including a requirement that, for certain funds remitted into Argentina, an amount equal to 30% of the funds must be deposited into an account with a local

financial institution as a U.S. Dollar deposit for a one-year period without any accrual of interest, benefit or other use as collateral for any transaction.

In addition, from 2011 and until President Macri assumed office, the Argentine government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Furthermore, new regulations have been issued since 2012 pursuant to which certain foreign exchange transactions were subject to prior approval by Argentine tax authorities. Through a combination of foreign exchange and tax regulations, the Fernández de Kirchner administration significantly curtailed access to the foreign exchange market by individuals and private-sector entities. In addition, during the last few years under the Fernández de Kirchner administration, the Central Bank exercised a de facto prior approval power for certain foreign exchange transactions otherwise authorized to be carried out under the applicable regulations, such as dividend payments or repayment of principal of inter-company loans as well as the import of goods, by means of regulating the amount of foreign currency available to companies to conduct such transactions. The number of exchange controls introduced in the past and in particular after 2011 during the Fernández de Kirchner administration gave rise to an unofficial U.S. Dollar trading market, and the Peso/U.S. Dollar exchange rate in such market substantially differed from the official Peso/U.S. Dollar exchange rate. See "Exchange Rate Information and Exchange Controls."

Additionally, the level of international reserves deposited with the Central Bank significantly decreased from U.S.$47.4 billion as of November 1, 2011 to U.S.$25.6 billion as of December 31, 2015, resulting in a reduced capacity of the Argentine government to intervene in the foreign exchange market and to provide access to such markets to private sector entities like us. The Macri administration recently announced a program intended to increase the level of international reserves deposited with the Central Bank through the execution of certain agreements with several Argentine and foreign entities. As a result of the measures taken under such program, the international reserves increased to U.S.$ 29,572 million as of March 31, 2016. In addition, on April 22, 2016, due to the issuance by the Argentine government of U.S.$16.5 billion of new debt securities in the international capital markets, the level of international reserves increased further to U.S.$34,655 million as of April 28, 2016. On May 5, 2016, the Central Bank used international reserves to make payments on certain of its defaulted bonds, thereby reducing its reserves.

Notwithstanding the measures recently adopted by the new Argentine government, in the future the Argentine government could impose further exchange controls, transfer restrictions or restrictions on the movement of capital and/or take other measures in response to capital flight or a significant depreciation of the Peso, which could limit our ability to access the international capital markets and impair our ability to make interest, principal or dividend payments abroad. Such measures could lead to renewed political and social tensions and undermine the Argentine government's public finances, which could adversely affect Argentina's economy and prospects for economic growth and, consequently, adversely affect our business and results of operations and our ability to make payments under the notes. As of the date of this offering memorandum, however, the transfer of funds abroad to pay dividends is permitted to the extent such dividend payments are made in connection with Audited Consolidated Financial Statements approved by a meeting of our shareholders.

A lack of financing for Argentine companies, whether due to market forces, government regulation or the unresolved litigation with holdout bondholders, may negatively impact our financial condition or cash flows.

In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, Argentina restructured over 92% of its eligible defaulted debt.

Commencing in 2002, holdout creditors filed numerous lawsuits against Argentina in several jurisdictions, including the United States, Italy, Germany, and Japan. These lawsuits generally assert that Argentina failed to make timely payments of interest and/or principal on their bonds, and seek judgments for the face value of and/or accrued interest on those bonds. Judgments have been issued in numerous proceedings in the United States and Germany, but to date judgment creditors have not succeeded, with a few minor exceptions, in executing on those judgments.

In 2012, plaintiffs in New York, obtained a U.S. district court order enjoining Argentina from making interest payments in full on the bonds issued pursuant to the 2005 and 2010 exchange offers ("Exchange Bonds") unless Argentina paid the plaintiffs in full, under the theory that the former payments violated the *pari passu* clause in the 1994 Fiscal Agency Agreement (the "FAA") governing those non-performing bonds. The Second Circuit Court of Appeals affirmed the so-called *pari passu* injunctions, and on June 16, 2014 the U.S. Supreme Court denied Argentina's petition for a writ of certiorari and the stay of the *pari passu* injunctions was vacated on June 18.

In 2014, the Argentine government took a number of steps intended to continue servicing the bonds issued in the 2005 and 2010 exchange offers, which had limited success.

The Macri administration engaged in negotiations with holders of defaulted bonds in December 2015 with a view to bringing closure to fifteen years of litigation. In February 2016, the Argentine government entered into an agreement in principle to settle with certain holders of defaulted debt and put forward a proposal to other holders of defaulted debt, including those with pending claims in U.S. courts, subject to two conditions: obtaining approval by the Argentine Congress and the lifting of the *pari passu* injunctions. On March 2, 2016, the U.S. district court agreed to vacate the *pari passu* injunctions, subject to two conditions: first, the repealing of all legislative obstacles to settlement with holders of defaulted debt securities issued under the FAA, and second, full payment to holders of *pari passu* injunctions with whom the Argentine government had entered into an agreement in principle on or before February 29, 2016. The U.S. district court's order was affirmed by the Second Circuit Court of Appeals on April 13, 2016. On March 31, 2016, the Argentine Congress repealed the legislative obstacles to the settlement and approved the settlement proposal. On April 22, Argentina issued US$16.5 billion of new debt securities in the international capital markets, and applied US$9.3 billion of these proceeds to satisfy settlement payments on agreements with holders. The District Court ordered the vacatur of all *pari passu* injunctions upon confirmation of such payments.

As of the date of this offering memorandum, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly.

Although the vacatur of the *pari passu* injunctions removed a material obstacle to access to capital markets by the Argentine government, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the Argentine government's ability to access international credit markets, thus affecting our ability to finance our operations and growth.

The Argentine economy could be adversely affected by economic developments in other markets and by more general "contagion" effects

Weak, flat or negative economic growth of any of Argentina's major trading partners, such as Brazil, could adversely affect Argentina's balance of payments and, consequently, economic growth.

The economy of Brazil, Argentina's largest export market and the principal source of imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from ongoing political crisis, including the potential impeachment of Brazil's president Ms. Dilma Rousseff. The Brazilian economy contracted by 3.8% during 2015, mainly due to a 8.3% decrease in industrial production. In addition, the Brazilian currency lost approximately 47% of its value relative to the U.S. Dollar in 2015. A further deterioration of economic conditions in Brazil may reduce demand for Argentine exports and create advantages for Brazilian imports. While the impact of Brazil's downturn on Argentina or our operations cannot be predicted, we cannot exclude the possibility that the Brazilian political and economic crisis could have further negative impact on the Argentine economy and our operations.

The Argentine economy may be affected by "contagion" effects. International investors' reactions to events occurring in one developing country sometimes appear to follow a "contagion" pattern, in which an entire region or investment class is disfavored by international investors. In the past, the Argentine economy has been adversely affected by such contagion effects on a number of occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian real, the 2001 collapse of Turkey's fixed exchange rate regime and the global financial crisis that began in 2008.

The Argentine economy may also be affected by conditions in developed economies, such as the United States, that are significant trading partners of Argentina or have influence over world economic cycles. If interest rates increase significantly in developed economies, including the United States, Argentina and its developing economy trading partners, such as Brazil, could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries. Decreased growth on the part of Argentina's trading partners could have a material adverse effect on the markets for Argentina's exports and, in turn, adversely affect economic growth. Any of these potential risks to the Argentine economy could have a material adverse effect on our business, financial condition, result of operations and our ability to make payments under the notes.

Risks Relating to Our Industry

We face substantial and increasing competition in the Argentine cable television and data cable transmission industry

The cable television and data transmission business in Argentina is very competitive. Cable operators are not given exclusive territorial broadcasting licenses and Argentina's two regional telephone companies, which benefited from monopoly rights for fixed line local telephone service through October 2000, are allowed to provide data transmission services, and vigorously pursue this market. Competition from the regional telephone companies in data transmission could exert downward pressure on prices lowering our revenue per Internet subscriber. Under current law, however, telephone companies are not permitted to provide cable television services at least until January 1, 2018 which authorization may be postponed for an additional year by the Argentine government. To the extent telephone companies are given the right to provide cable television services, we would risk losing a portion of our market share within this industry due to increased competition. See "Risk Factors—Risks Relating to Our Industry—We may become subject to burdensome government regulations and legal uncertainties affecting our Internet/digital content segments which could adversely affect our operations."

We compete with other cable television operators that have built networks in the areas in which we operate, providers of other pay television services, including direct broadcasting, direct-to-home satellite and multi-channel multi-point distribution system services, licensed suppliers of basic telephone services and cooperative entities providing utility services and also with free broadcasting services which are currently available to the Argentine population in certain areas from four privately-owned television networks (including one owned by our controlling shareholder) and their local affiliates and one state-owned national public television network. We expect competition to increase in the future due to a number of factors, including the development of new technologies.

Technological innovation relating to cable transmission of cable television and data increases the level of competition that we face and requires us to make frequent investments to develop new and innovative programming services and products to attract and retain cable television subscribers. We cannot assure you that we will be able to make investments necessary to remain competitive, or that we will be able to attract new subscribers and retain our current subscribers. A substantial loss of our subscribers to competitors would have a material adverse effect on our results of operation.

We also face competition from other broadband service providers, including two large competitors Arnet and Speedy, each of which is associated with Argentine's two regional telephone companies that provide fixed telephony services in the country. These companies have well-established name recognition, larger customer bases, and significant financial, technical and marketing resources. This may allow them to devote greater resources than us to the development and promotion of their business. These competitors may also engage in more extensive research and development, adopt more aggressive pricing policies and make more attractive offers to advertisers. Competitors may develop products and services that are equal or superior to those we offer or that achieve greater market acceptance. As a result, competition may have a material adverse effect on our operations.

We cannot assure you that we will expand broadband service to other areas or continue to provide it in the areas in which it is currently offered, or that we will be able to compete successfully with other broadband providers.

We face substantial and increasing competition in the Argentine mobile services industry

We now face highly consolidated competitors in the mobile services market with high penetration rates. Well-established regional mobile telephone companies such as Telefónica de Argentina S.A., Telecom Argentina S.A. and América Móvil, have a larger customer base and significant financial, technical and marketing resources. Thus, these companies may be able to devote more resources to develop and promote their business through the adoption of more aggressive commercial promotions in order to attract new mobile services customers or retain existing ones. We expect competition to increase in the future due to a number of factors, including the development of new technologies. Technological innovation relating to mobile services will require us to make frequent investments to remain competitive. However, we cannot assure you that we will be able to make the investments necessary to remain competitive, or that we will be able to attract new customers and win subscribers away from our competitors. The inability to retain or attract customers could have a material adverse effect on our business, financial condition and result of operations.

Our revenues are cyclical and depend upon the condition of the Argentine economy

Revenues generated by our cable television and internet access operations have proven cyclical and depend on general economic conditions. In the past, a general economic downturn in Argentina has had, and would be expected to have in the future, a negative effect on our revenues and a material adverse effect on our results of operations. Historically, increases in losses of cable television subscribers have corresponded with general economic downturns and regional and local economic recessions. In particular, the 2001-2002 Argentine economic crisis had a material adverse effect on our cable television revenues. Moreover, most of our revenues are denominated in Pesos, exposing us to risks related with fluctuations in the value of the Peso. See "—Risks Relating to Argentina—Fluctuations in the value of the Peso could adversely affect the Argentine economy and, in turn, adversely affect our results of operations."

We may become subject to burdensome government regulations and legal uncertainties affecting our Internet/digital content segments which could adversely affect our operations

We and our activities are subject to risks associated with the adoption and implementation of governmental regulations that reflect changing governmental policies over time. After the deregulation of Argentina's telecommunications and media industries in 1990, the Broadcasting Law (as defined below), the Digital Argentina Law (as defined below) and their implementing regulations have been amended on a number of occasions, modifying requirements to hold or transfer broadcasting licenses. In addition, we are subject to the regulations of certain other governmental entities, including the Secretaria de Comercio Interior ("SCI"), which has issued resolutions requiring Argentine cable television operators to apply a formula to calculate their customers' monthly subscription prices. Although we have contested such SCI regulations, we can offer no assurances that we will not be subject to similar regulations in the future, which could force us to modify the prices of our subscription services and have a material adverse effect on the revenues generated by our core businesses. See "Regulatory Framework and Description of the Cable and Broadcast Industries—Antitrust Considerations—Proceedings related to monthly subscription prices."

For further discussion of the factors that affected our activities and the activities of certain of our subsidiaries as of December 31, 2015, including government regulations, see the emphasis of matter paragraph included in the opinion issued by our independent accountants in our Audited Consolidated Financial Statements, as of and for the year ended December 31, 2015, and the related notes thereto.

New regulations may be adopted to limit our ability to operate or to permit new competitors to enter the cable television industry. For example, telephone companies have been authorized pursuant to the Digital Argentina Law and Decree 267 to enter the cable television industry starting in January 1, 2018, although such authorization may be postponed for an additional year by the Argentine government.

We may also be subject to additional and unanticipated governmental regulations in the future. See "Regulatory Framework and Description of the Argentine Cable and Broadband Industries—Regulatory Overview."

Risks Relating to the Notes

The notes are not secured and structurally subordinated to all the debt and other liabilities of our subsidiaries; your right to receive payments on the notes could be adversely affected if any of our subsidiaries declare bankruptcy, liquidate or reorganize

The notes are not secured by any of our assets. At the time of this offering memorandum, we have no secured debt. The notes are effectively subordinated to any secured debt we may assume in the future to the extent of the value of the assets securing that debt. Moreover, under Argentine bankruptcy law, our obligations under the notes are subordinated to certain statutory preferences, including claims for salaries, wages, social security, taxes and court fees and expenses.

Because payments of principal or interest under the notes will not be guaranteed by our subsidiaries, the notes will be structurally subordinated to all existing and future debt and other liabilities of our subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, holders of their indebtedness and their creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us and, in turn, to our creditors, including holders of the notes.

The ability of holders to transfer notes in the United States and certain other jurisdictions will be limited

The notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws. See "Transfer Restrictions." Offers and sales of the notes may also be subject to transfer restrictions in other jurisdictions. You should consult your financial or legal advisors for advice concerning applicable transfer restrictions in respect of the notes.

An active trading market for the notes may not develop

The notes offered hereunder are new securities for which there is currently no active trading market. We will apply to have the notes listed on the Luxembourg Stock Exchange for trading on its Euro MTF Market, on the Mercado de Valores de Buenos Aires through the BCBA and on the MAE, but we cannot assure you that any such applications, if made, would be approved. If the notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and our financial performance.

We cannot assure you that an active trading market for the notes will develop, or, if one does develop, that it will be maintained. If a trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling the notes or may be unable to sell them at an attractive price or at all. Further, even if a market develops, the liquidity of any market for the notes will depend on the number of holders of the notes, the interest of securities dealers in making a market in the notes and other factors. Therefore, a market for the notes may develop though it may not be liquid. Moreover, if the notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, our performance and business prospects and other factors.

It may be difficult for you to obtain or enforce judgments against us

We are incorporated in Argentina. All of our directors and executive officers reside outside the United States, and substantially all of our assets are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our special Argentine counsel, Errecondo, González & Funes, that there is doubt as to the enforceability in original actions in Argentine courts of liabilities predicated solely on U.S. federal securities laws

and as to the enforceability in Argentine courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. The enforcement of such judgments will be subject to compliance with certain requirements under Argentine law, such as Articles 517 through 519 of the Argentine Code of Civil and Commercial Procedure, including the condition that such judgments do not violate Argentine public policy, as determined by an Argentine court.

Exchange controls and restrictions on transfers abroad may impair your ability to receive payments on the notes or repatriate your investment in the notes

In 2001 and 2002 Argentina imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. Subsequently, many of these restrictions were substantially eased, including those requiring the Argentine Central Bank's prior authorization for the transfer of funds abroad in order to pay principal and interest on debt obligations. However, new regulations were issued in the last quarter of 2011, which significantly curtailed access to the foreign exchange market by individuals and private sector entities. More recently, in December 2015 the new Argentine administration lifted many of the foreign exchange restrictions imposed in 2011, including the lifting of restrictions for the repatriation of portfolio investment by non-resident investors. As a consequence, non-resident investors that acquire the notes in the Argentine primary or secondary markets with dollars exchanged for Pesos at the official foreign exchange market have access to the Argentine Foreign Exchange Market for transferring abroad the proceeds resulting from the sale of the notes irrespective of the amount involved, provided that such investment has remained in Argentina for a minimum term of 120 calendar days.

Argentina may impose new stricter exchange controls and transfer restrictions in the future, among other things, in response to capital flight or a significant depreciation of the Peso. In such event, our ability to make payments abroad may be affected and therefore your ability to receive payments on the notes may be impaired.

Restrictive covenants in our indentures may restrict our ability to pursue our business strategies

The indentures governing our existing senior notes and the notes offered hereby contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests. These agreements governing our indebtedness include covenants restricting, among other things, our ability to:

- incur or guarantee additional debt;
- pay dividends or make distributions on our capital stock or redeem, repurchase or retire our capital stock or any future subordinated debt;
- make certain investments;
- create liens on our assets to secure debt;
- create restrictions on the ability of our subsidiaries to pay dividends or make loans or other distributions to us;
- enter into transactions with affiliates;
- merge or consolidate with another person or sell or otherwise dispose of all or substantially all of our assets;
- sell assets, including capital stock of our subsidiaries; and
- designate our subsidiaries as unrestricted subsidiaries.

A breach of any covenant contained in the indentures governing the notes and our existing notes or the agreements governing any of our other indebtedness could result in a default under those agreements. If any such default occurs, the holders of such indebtedness may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. In addition, the failure to pay debt when due would cause a default under the indentures governing the notes and the existing notes. If any of our debt, including the notes offered hereby or the existing notes, were to be accelerated, our assets may not be sufficient to repay in full that debt or any other debt that may become due as a result of that acceleration.

Notwithstanding the restrictions on our ability to pay dividends, redeem or purchase capital stock and make certain other restricted payments, the indenture governing the notes will allow us to make significant restricted payments in certain circumstances. See "Description of the Notes—Certain Covenants—Limitation on Restricted Payments" and "Description of the Notes—Covenant Suspension."

In the event of reorganization proceedings or an out-of-court reorganization agreement, noteholders might vote differently from other creditors

In the event we are subject to judicial reorganization proceedings, out-of-court reorganization agreements (*acuerdo preventivo extrajudicial*) and/or similar proceedings, current Argentine regulations applicable to the notes (including, without limitation, the provisions of the Argentine Negotiable Obligations Law) will be subject to the provisions of Argentine Law No. 24.522 (the "Argentine Bankruptcy Law"), as amended, and other regulations applicable to business restructuring proceedings and, consequently, certain terms and conditions of the notes may not apply.

The Argentine Bankruptcy Law establishes a different voting procedure for noteholders from that used by other unsecured creditors for purposes of calculating the majorities required by the Argentine Bankruptcy Law (which requires the absolute majority of creditors representing two-thirds of the unsecured debt). Under this system, noteholders may have significantly less bargaining power than our other financial creditors in the event of reorganization.

Moreover, Argentine case law has provided that those noteholders who fail to attend a meeting at which a vote is held in order to vote or who abstain from voting are not to be counted for purposes of calculating such majorities. As a result of these reorganization proceedings, the bargaining power of noteholders may be lessened vis-á-vis our other financial and trade creditors.

We may redeem the notes prior to maturity

The notes are redeemable at our option under certain circumstances specified in "Description of the Notes." We may choose to redeem the notes at times when prevailing interest rates may be relatively low. Accordingly, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies

The credit ratings of the notes may change after issuance. Such ratings are limited in scope and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

Developments in other countries may adversely affect the market value of the notes

The market price of the notes may be adversely affected by developments in the international financial markets and world economic conditions. Argentine securities markets are influenced, to varying degrees, by economic and market conditions in other countries, especially those in Latin America and other emerging markets. Although economic conditions are different in each country, investor reaction to the developments in one country may affect the securities of issuers in other countries, including Argentina. We cannot assure you that the market for the securities of Argentine issuers will not be affected negatively by events elsewhere or that such developments will not have a negative impact on the market value of the notes. For example, an increase in the interest rates in a developed country, such as the United States, or a negative event in an emerging market, may induce a significant capital outflows from Argentina and depress the trading price of the notes.

We may not be able to repurchase the notes upon a change of control repurchase event

Upon the occurrence of a Change of Control (as defined below), we may be required by the holders of the notes to offer to repurchase all of the outstanding notes at 101% of their principal amount, plus accrued and unpaid interest to the repurchase date. The source of funds for any such purchase of the notes will be our available cash or cash generated from our operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a Change of Control because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a Change of Control. Our failure to repurchase the notes upon a change of control event would cause a default under the indenture governing the notes. Our future debt agreements may contain similar provisions.

There may be conflicts of interest between our shareholders and the noteholders

There may be conflicts of interest between our shareholders, on the one hand, and the noteholders, on the other hand. There can be no assurance that any such conflict, should it occur, will be resolved in a manner favorable to the noteholders.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the notes will be approximately U.S.$494.6 million, after deducting the initial purchasers' discount and estimated offering expenses. We intend to use the net proceeds from the sale of the notes as follows:

- to redeem in full the principal amount outstanding under the Series V Notes (approximately U.S.$286.4 million), which accrue interest at a 9.375% fixed rate per annum and mature on February 11, 2018, at a redemption price equal to 100% of outstanding principal amount and accrued and unpaid interest plus a 2% applicable premium;

- to redeem in full the aggregate principal amount outstanding under each of our Series I, II, III and IV Notes (approximately U.S.$12.4 million), which accrue interest at 8.75%, 9.375%, 9.625% and 9.375% per annum, respectively, and mature on February 11, 2018, at a redemption price equal to 100% of outstanding principal amount plus accrued and unpaid interest without any premium;

- to pay the outstanding principal amount under the 10-year Securities (approximately U.S.$80.3 million) at the maturity date on July 20, 2016, which accrue interest at a 4.5% per annum; and

- prepay in full our Syndicated Loan (as defined below), which matures on August 2, 2016 and accrues interest at adjusted BADLAR ("*Corregida*") plus 4.85% per annum, at a redemption price equal to 100% of outstanding principal amount and accrued and unpaid interest plus the applicable premium calculated at the prepayment date (each of the debt instruments listed above is described in in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness").

We intend to use the balance of the net proceeds (approximately U.S.$89 million) to invest in fixed assets and to fund other capital expenditures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness" and "Capitalization."

Certain of the initial purchasers or their affiliates are lenders under one or more credit facilities, which we intend to repay with the proceeds from the issuance of the notes. As a result, certain of the initial purchasers or their affiliates will receive proceeds from the offering. See "Plan of Distribution."

EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

Exchange Rates and Exchange Controls

Beginning in February 2002, the Peso was allowed to float against other currencies. After several years of fluctuations in the nominal exchange rate, the Peso lost approximately 14.3% of its value against the U.S. Dollar in 2012. Despite increased Central Bank intervention and measures to limit Argentine residents' access to foreign currency, the Peso devalued by 32.6% and 31.2% against the U.S. Dollar in 2013 and 2014, respectively. In December 2015, the Macri administration eliminated a significant portion of the foreign exchange restrictions and the Central Bank returned to a free-float policy with interventions designed to enhance the operation of the foreign exchange market. Immediately after a significant portion of the foreign exchange controls were lifted on December 16, 2015, the Peso devalued by approximately 40%, as the Peso-U.S. Dollar exchange rate reached Ps. 13.76 to U.S.$1.00 on December 17, 2015. The Peso has since floated freely with limited intervention by the Central Bank.

Exchange Rates

The following table sets forth the annual high, low, average and period-end "reference" exchange rates for the periods indicated, expressed in Pesos per U.S. Dollar and not adjusted for inflation. There can be no assurance that the Peso will not depreciate or appreciate in the future. The Federal Reserve Bank of New York does not report a noon buying rate for Pesos.

	Exchange rates[1]			
	High	**Low**	**Average[2]**	**Period end**
Year ended December 31,				
2011	4.304	3.972	4.130	4.303
2012	4.917	4.305	4.552	4.917
2013	6.518	4.923	5.479	6.518
2014	8.556	6.543	8.119	8.552
2015	13.763	8.554	9.269	13.005
Month				
December 2015	13.763	9.698	11.428	13.005
January 2016	13.941	13.069	13.655	13.904
February 2016	15.584	14.088	14.815	15.584
March 2016	15.919	14.246	14.961	14.582
April 2016	14.779	14.140	14.410	14.258
May 2016 (through May 27)	14.262	13.963	14.144	13.963

Source: Central Bank

(1) Central Bank reference exchange rates (Communication A 3500 of Central Bank).

(2) Average of daily closing quotes.

Currency conversions, including conversions of Pesos into US Dollars, are included for the convenience of the reader only and should not be construed as a representation that the amounts in question have been, could have been or could be converted into any particular denomination, at any particular rate or at all.

As of May 31, 2016, the Peso-US Dollar reference exchange rate was Ps. 13.99 to U.S.$1.00, as quoted by *Banco Nación* for wire transfers (*divisas*).

Exchange Controls

Due to the deterioration of the Argentine economy and financial system in 2001, the inability of the Argentine government to service its public external indebtedness and the decreased level of deposits in the financial system, the Argentine government issued Decree No. 1,570/2001 on December 3, 2001, which established certain monetary and currency exchange control measures, including restrictions on the free disposition of funds deposited in banks and restrictions on the transfer of funds abroad, subject to certain exceptions.

In addition to the above measures, on February 8, 2002, the Argentine government and the Central Bank began requiring prior authorization for certain transfers of funds abroad to service principal and/or interest payments on foreign indebtedness. From 2011 until the Macri administration took office in December 2015, the Argentine government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. In 2012, the Argentine government adopted an import procedure under which any import of products required the pre-approval of local authorities in the form of a *Declaración Jurada Anticipada de Importación* (Advance Sworn Import Declaration, or "DJAI"). The DJAI was a precondition for the importer to gain access to the foreign exchange market to pay for imported products, which was, in effect, a material barrier to the import of goods into Argentina, as any alternative method of payment significantly increased the costs of such transactions.

Together with the regulations established in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank, the measures taken by the Fernández de Kirchner administration significantly curtailed access to the MULC. In response, an unofficial U.S. Dollar trading market developed in which the Peso-U.S. Dollar exchange rate differed substantially from the official Peso-U.S. Dollar exchange rate.

Current Regulations

In December 2015, in line with the economic reforms implemented by the newly elected Macri administration, the Central Bank issued regulations that eliminated a significant portion of the foreign exchange restrictions imposed in 2012, thereby reverting to the exchange controls regime in place prior to 2012, including the reestablishment of Argentine residents' rights to purchase and remit up to U.S.$5.0 million of foreign currency outside of Argentina each month, as described below. See "Risk Factors—Risks Relating to Argentina—The implementation of new exchange controls and on capital inflows and outflows could limit the availability of international credit and could threaten the financial system, adversely affecting the Argentine economy and, as a result, our business."

The primary changes related to the foreign exchange market that have been implemented since December 17, 2015 include:

- the reestablishment of Argentine residents' rights to purchase and remit outside of Argentina foreign currency in an amount up to U.S.$5.0 million per month without specific allocation (*atesoramiento*) or the need to obtain prior approval;

- the effective elimination of a mandatory, non-transferable and non-interest bearing deposit in connection with certain transactions involving foreign currency inflows by reducing the amount of the deposit from 30% of such transactions to 0%;

- the elimination of the requirement to transfer and settle the proceeds from new foreign financial indebtedness incurred by the foreign financial sector, the non-financial private sector and local governments through the MULC (except that the evidence of the mandatory transfer and settlement of funds through the MULC will still be required for subsequent access to the MULC in order to repay principal and interest of such indebtedness);

- the reduction of the mandatory minimum stay period, from 365 calendar days to 120 calendar days, applicable to the proceeds of any new financial indebtedness and renewal of existing indebtedness incurred by residents, held by foreign creditors and transferred through the MULC; and

- the replacement of the DJAI with a new import procedure that requires certain filings and import licenses for certain goods (including textiles, footwear, toys, domestic appliances and automobile parts). Unlike the previous system, it does not contemplate discretionary government approval of payments for the import of products through Argentina's single and free floating foreign exchange market, or the MULC.

Anti-Money Laundering

The concept of money laundering generally refers to transactions whose objective is to introduce funds generated through illegal activities into the institutional system and thereby to transform illegal profits into assets with apparently legitimate sources.

On April 13, 2000, Argentina's Congress passed Law No. 25.246 (as amended and complemented by Law No. 26,087, Law No. 26,119, Law No. 26,268 and Law No. 26,683, the "Money Laundering Law"), which defines money laundering as a type of crime.

The Money Laundering Law, defines money laundering as a crime committed by any person who exchanges, transfers, manages, sells, levies, disguises or in any other way commercializes goods obtained through a crime, with the possible consequence that the original assets or the substitute thereof appear to come from a lawful source, provided that their value exceeds Ps. 300,000, whether such amount results from one or more related transactions. The penalties established are the following:

- imprisonment for three to ten years and fines of two to ten times the amount of the transaction;

- the penalty provided in item (i) shall be increased by one third of the maximum and a half of the minimum, when (a) the person carries out the act on a regular basis or as a member of an association or gang organized with the aim of continuously committing acts or a similar nature, and (b) the person is a governmental officer who carries out the act in the course of his duties; and

- if the value of the assets does not exceed Ps. 300,000, the penalty shall be imprisonment for six months to three years.

The Argentine Criminal Code, as amended by the Argentine Anti-Money Laundering Law, also punishes any person who receives money or other assets from a criminal source with the purpose of applying them to a transaction, making them appear to be from a lawful source.

The Money Laundering Law also created the *Unidad de Información Financiera* (Financial Information Unit, or the "UIF"), a centralized monitoring organization, responsible for the analysis, management and transmission of information for purposes of preventing and impeding money laundering resulting from: crimes involving the trafficking or commercialization of illicit drugs; crimes involving contraband arms (Law No. 22,415);crimes involving the activities of an illegal organization, as specified in article 210(bis) of the Penal Code, or of an illegal terrorist organization, as defined in article 213(ter) of the Penal Code; illegal acts committed by illegal organizations, as defined in article 210 of the Penal Code, whose purpose is to commit politically or racially motivated crimes; certain crimes against the public administration; prostitution and child pornography; and crimes involving the financing of terrorism.

Recently, the "National Coordination Program for the Prevention of Asset Laundering and the Financing of Terrorism" was created by Decree No. 360/2016 by the Ministry of Justice and Human Rights. This Program was assigned the duty to reorganize, coordinate and strengthen the national system for the prevention of money laundering and the financing of terrorism, taking in consideration the specific risks that might have an impact on Argentine territory and the global demand for a more effective compliance with international obligations and recommendations established under United Nations Conventions and the standards of the Financial Action Task Force (FATF). These duties will be performed and implemented through a National Coordinator appointed for this purpose. Also, applicable statutory rules were modified, and it was established that the Ministry of Justice and Human Rights will be the Argentine government's central authority in charge of the inter-institutional coordination among all public and private agencies and entities with competent jurisdiction on this matter, while the UIF will retain the ability to perform operating coordination activities at the national, provincial and municipal levels in relation to matters strictly inherent in its jurisdiction as a financial intelligence agency.

The main objective of the Money Laundering Law is to prevent money laundering and the financing of terrorism. Following internationally recognized practice, the Money Laundering Law delegates enforcement

responsibilities to the private sector, including banks, insurance companies, stock brokers, and broker companies. In this sense, the persons listed in section 20 of the Money Laundering Law are obliged to submit information to the UIF of suspicious activities of money laundering and terrorist financing from any individual or legal persons. These responsibilities primarily include data collection, including:

- obtaining documents from clients that conclusively prove identity, legal status, domicile and other facts as a prerequisite to engaging in certain activities;
- informing the Argentine government of any suspicious facts or activities;
- abstaining from informing such clients of those activities undertaken in compliance with the Money Laundering Law.

The Money Laundering Law, together with UIF Resolutions 121/2011 and 229/2011, provide that (i) those required to provide information shall not withhold from the UIF any banking, professional or market secrets, nor legal or contractual confidentiality obligations, within the ambit of suspicious activities that must be reported; and (ii) the UIF shall communicate suspicious activities to Argentina's Public Ministry in order to determine whether to take legal action whenever analysis of reported activities confirms the suspicion of money laundering.

Additionally, the Central Bank and the CNV, through its regulations, requires that banks take certain precautions to prevent money laundering.

For a more detailed analysis of the Argentine anti-money laundering regime in effect as of the date of this offering memorandum, investors should consult with their own legal advisors and review the Argentine Criminal Code, the regulation issued by the UIF and the CNV rules, among other applicable laws and regulations.

CAPITALIZATION

The following table sets forth certain financial information under IFRS as of March 31, 2016, including our cash and cash equivalents, short-term and long-term indebtedness and capitalization. The table also sets forth such pro forma information as adjusted to reflect this offering, including application of an estimated U.S.$494.6 million of net proceeds as described under "Use of Proceeds."

	As of March 31, 2016 (unaudited)			
	Actual		As Adjusted	
	(in millions of Pesos)	(in millions of U.S. Dollars)[1]	(in millions of Pesos)	(in millions of U.S. Dollars)[1]
Cash and banks	3,107	211	4,290	292
Current Investments	1,504	102	1,504	102
Total	**4,611**	**314**	**5,794**	**394**
Debt				
Short-term debt				
Debt with related companies – principal	23	2	23	2
For purchase of equipment – principal	509	35	509	35
Accrued interest	113	8	7	-
Cablevisión Notes - principal	1,895	129	-	-
Multicanal Notes - principal	1,181	80	-	-
Measurement of financial debt at present value	36	2	-	-
Current account overdraft	-	-	-	-
Bank loans - principal	330	22	-	-
Long-term debt				
Notes offered hereby[2]	-	-	7,270	495
Cablevisión Notes	2,496	170	-	-
Measurement of financial debt at present value	(42)	(3)	-	-
For purchase of equipment - principal	633	43	633	43
Total Debt	**7,174**	**488**	**8,441**	**574**
Total Shareholders' Equity	9,970	678	9,886	673
Total Capitalization	**17,144**	**1,166**	**18,327**	**1,247**

(1) Peso amounts have been converted into U.S. Dollars at a rate of Ps.14.70 per US$1.00, which was the exchange rate for U.S. Dollars quoted by *Banco Nación* for wire transfers (*divisas*) on March 31, 2016.

(2) Represents principal amount of notes issued on June 15, 2016, net of estimated fees and expenses subject to amortization under IAS 39 – Financial Instruments: Recognition and measurement

(3) Current investments do not include investments classified as cash equivalents.

SELECTED FINANCIAL AND OPERATING DATA

The following tables set forth our selected annual audited consolidated financial information as of and for the fiscal years ended December 31, 2015, 2014 and 2013, and our selected interim unaudited condensed consolidated financial information as of and for the three months ended March 31, 2016 and 2015. This selected consolidated financial information has been derived from the Financial Statements included in this offering memorandum. This information should be read in conjunction with, and is qualified in its entirety by, reference to the Financial Statements, including the notes thereto, and the discussion in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this offering memorandum. See also "Independent Accountants."

Cablevisión is an Argentine company subject to the laws of Argentina. Our Financial Statements are presented in Pesos.

Our independent accountants, Price Waterhouse & Co. S.R.L. issued an opinion on our Audited Consolidated Financial Statements as of and for the years ended December 31, 2015, 2014 and 2013, that contains an emphasis of matter paragraph describing the following factors that affected our activities and the activities of certain of our subsidiaries as of December 31, 2015, 2014 and 2013: (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisition of the Company and other legal entities, which later resulted in our merger with Multicanal and other companies; (ii) changes to the regulatory framework applicable to telecommunication service providers, including us, which are expected to stem from the Argentine Digital Law approved in 2014, the implementation of which remains uncertain as of December 31, 2015; (iii) the issuance of Decree No. 267/2015, which introduced changes to the regulatory framework for the telecommunication and audiovisual services, through which Enacom was created as regulator under Laws No. 26,522 and 27,078; (iv) the resolution No. 50 issued by the SCI including the formula to calculate the monthly fees to be paid by cable television subscribers, which effects are uncertain as of the date of issuance of said opinion; and (v) the enactment of Law No. 19,307 in the Republic of Uruguay, which regulates the main activities of our subsidiary Adesol, which has not yet been implemented as of the date of issuance of such opinion) appearing herein.

In addition, with respect to our Unaudited Condensed Consolidated Interim Financial Statements as of and for the three months ended March 31, 2016 and 2015 included in this offering memorandum, Price Waterhouse & Co. S.R.L. reported that they have applied limited procedures in accordance with professional standards in connection with their review of such information. However, their separate report dated May 10, 2016, included in this offering memorandum (which contains an emphasis of matter paragraph describing the following factors that affected our activities and the activities of certain of our subsidiaries as of March 31, 2016: (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisition of the Company and other legal entities, which later resulted in our merger with Multicanal and other companies and (ii) resolution No. 50 issued by the SCI including the formula to calculate the monthly feed to be paid by cable television subscribers, which effects are uncertain as of the date of issuance of said report) states that they did not audit and they do not express an opinion on such unaudited interim financial information. Accordingly, the degree of reliance on their report should be restricted in light of the limited nature of the review procedures applied.

Our selected financial and operating data is presented below.

Our Selected Financial Data

	For the three months ended March 31, (unaudited)			For the year ended December 31,			
	2016	2016	2015	2015	2015	2014	2013
	(in millions of U.S. Dollars)[1]	(in millions of Pesos)		(in millions of U.S. Dollars)[1]	(in millions of Pesos)		
Statement of Comprehensive Income Data:							
Revenues	488	7,068	4,559	2,171	20,125	14,226	9,749
Cost of sales [2]	(213)	(3,091)	(2,009)	(997)	(9,244)	(7,233)	(5,280)
Gross Income	275	3,977	2,550	1,174	10,881	6,993	4,469
Selling expenses [2]	(67)	(972)	(523)	(272)	(2,525)	(1,803)	(1,312)
Administrative expenses [2]	(52)	(757)	(490)	(283)	(2,628)	(1,728)	(1,284)
Other income and expenses, net	-	1	1	-	2	8	9
Results of acquisition of associates	8	114	-	-	-	-	-
Financial costs	(77)	(1,120)	(260)	(300)	(2,785)	(1,546)	(1,211)
Other financial income and	32	466	(52)	(3)	(28)	(61)	8
Financial Results	(45)	(653)	(312)	(303)	(2,813)	(1,607)	(1,203)
Equity in earnings from associates[3]	3	37	21	54	505	58	128
Net income before income tax	121	1,747	1,247	369	3,422	1,922	807
Income tax	(38)	(544)	(408)	(98)	(909)	(597)	(61)
Net Income for the year	83	1,202	839	271	2,513	1,325	747

(1) Statement of Comprehensive Income amounts stated in U.S. Dollars for the year ended December 31, 2015 and for the three months ended March 31, 2016 have been translated at a rate of Ps. 9.270 per U.S.$1.00, the average *Banco Nación* exchange rate for the full year 2015, and at a rate of Ps. 14.488 per U.S.$1.00, the average exchange rate for the three months ended March 31, 2016, respectively.

(2) Includes amortization of intangible assets and depreciation of property, plant and equipment of Ps. 1,566 million, Ps. 1,231 million and Ps. 978 million for the year ended December 31, 2015, 2014 and 2013, and Ps.530 million and Ps. 345 million as of March 31, 2016 and 2015 respectively.

	As of March 31, (unaudited)			As of December 31,			
	2016	2016	2015	2015	2015	2014	2013
Balance Sheet Data:	(in millions of U.S. Dollars) [1]	(in millions of Pesos)		(in millions of U.S. Dollars) [2]	(in millions of Pesos)		
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	693	10,183	6,069	648	8,450	5,852	4,644
Intangible assets	7	96	86	5	66	94	120
Goodwill	213	3,126	3,116	241	3,143	3,178	3,123
Investments in associates	13	188	118	105	1,370	110	97
Investments	55	804	618	53	697	585	358
Deferred tax assets	18	267	66	6	74	53	29
Other receivables	14	203	133	97	1,271	76	153
Trade receivables	-	-	42	-	-	89	126
Total non-current assets	**1,011**	**14,867**	**10,247**	**1,156**	**15,072**	**10,038**	**8,651**
CURRENT ASSETS							
Inventories	16	238	4	-	5	6	4
Other receivables	59	869	652	38	491	338	322
Trade receivables	158	2,319	1,043	97	1,264	1,002	701
Investments	102	1,504	1,743	70	911	1,051	105
Cash and cash equivalents	211	3,107	1,406	135	1,766	940	963
Total current assets	**547**	**8,037**	**4,847**	**340**	**4,436**	**3,337**	**2,095**
Total assets	**1,558**	**22,904**	**15,095**	**1,496**	**19,509**	**13,375**	**10,745**
SHAREHOLDERS' EQUITY (as per related statement)							
Attributable to the owners of the holding company							
Shareholders contributions	23	335	335	26	335	335	335
Reserves and accumulated results	636	9,343	6,568	621	8,096	5,885	4,675
Attributable to non-controlling participations	20	292	243	23	296	286	213
Total shareholders' equity	**678**	**9,970**	**7,145**	**669**	**8,726**	**6,506**	**5,223**
LIABILITIES							
NON-CURRENT LIABILITIES							
Bank and financial debts	210	3,088	3,894	296	3,866	2,819	2,600
Deferred tax liabilities	1	15	36	2	25	48	23
Provisions and other charges	47	691	206	22	282	202	166
Tax payable	1	8	2	1	10	2	4
Other payables	7	108	104	9	111	106	91
Total non-current liabilities	**266**	**3,910**	**4,242**	**329**	**4,294**	**3,177**	**2,884**
CURRENT LIABILITIES							
Bank and financial debt	278	4,086	807	211	2,755	1,288	955
Tax payable	87	1,277	1,092	63	823	678	228
Other payables	22	323	125	12	160	121	91
Accounts payable and others	227	3,337	1,684	211	2,750	1,605	1,365

	As of March 31, (unaudited)			As of December 31,			
	2016	2016	2015	2015	2015	2014	2013
Balance Sheet Data:	(in millions of U.S. Dollars) [1]	(in millions of Pesos)		(in millions of U.S. Dollars) [2]	(in millions of Pesos)		
Total current liabilities	614	9,024	3,708	498	6,489	3,692	2,639
Total liabilities	880	12,934	7,949	827	10,783	6,869	5,522
Total liabilities and shareholders' equity	1,558	22,904	15,095	1,496	19,509	13,375	10,745

(1) Amounts stated in U.S. Dollars as of March 31, 2016 have been translated at a rate of Ps. 14.700 per U.S.$1.00, which was the exchange rate for U.S. Dollars quoted by *Banco Nación* for wire transfers (*divisas*) on March 31, 2016.

(2) Amounts stated in U.S. Dollars as of December 31, 2015 have been translated at a rate of Ps. 13.040 per U.S.$1.00, which was the exchange rate for U.S. Dollars quoted by *Banco Nación* for wire transfers (*divisas*) on December 31, 2015.

	For the three months ended March 31, (unaudited)		For the year ended December 31,			
	2016		2015	2015	2014	2013
Consolidated Statement of Cash Flows:	(in millions of U.S. Dollars) [1]	(in millions of Pesos)	(in millions of U.S. Dollars) [1]	(in millions of Pesos)		
Net cash provided by operations	111	1,605	684	6,339	4,628	2,522
Net cash used in investment activities	(142)	(2,061)	(585)	(5,419)	(3,038)	(1,775)
Net cash used in financing activities	(29)	(422)	(61)	(566)	(1,328)	(727)
Cash and cash equivalents at the end of the period/year	248	3,642	167	2,177	1,333	1,013

(1) Amounts stated in U.S. Dollars for the year ended December 31, 2015 and for the three months ended March 31, 2016 have been translated at a rate of Ps. 9.270 per U.S.$1.00, the average *Banco Nación* exchange rate for the full year 2015, and Ps.14.488 per U.S.$1.00, the average *Banco Nación* exchange rate for the three months ended March 31, 2016, respectively, except for "Cash and cash equivalents at the end of the period/year", which has been translated at a rate of Ps. 13.040 per U.S.$1.00 and Ps. 14.700 per U.S.$1.00, which were the exchange rates for U.S. Dollars quoted by *Banco Nación* on December 31, 2015 and March 31, 2016, respectively.

Selected Operating Data:

	For the three months ended March 31, (unaudited)			For the year ended December 31,			
	2016	2016	2015	2015	2015	2014	2013
	(in millions of U.S. Dollars) [1][2]	(in millions of Pesos)[3]		(in millions of U.S. Dollars) [1][2]	(in millions of Pesos)[3]		
Adjusted EBITDA[4]	192	2,778	1,881	787	7,295	4,694	2,851
Adjusted EBITDA margin %	39.3	39.3	41.3	36.2	36.2	33.0	29.2
Liquidity[5]	N/A	0.89	1.31	N/A	0.68	0.90	0.79
Solvency[6]	N/A	0.77	0.90	N/A	0.81	0.95	0.95
Fixed Assets Ratio[7]	N/A	0.65	0.68	N/A	0.77	0.75	0.81
Return on Equity[8]	N/A	0.13	0.09	N/A	0.35	0.29	0.22
Active Customer Relationship [9]	N/A	3.87	3.78	N/A	3.87	3.79	3.76
Cable Television Subscribers[10]	N/A	91%	92%	N/A	91%	92%	93%
Broadband Customers[10]	N/A	53%	49%	N/A	53%	48%	45%
ARPU (excluding Nextel)	36	518	388	45	420	300	211
Churn Ratio:							
Cable Television[10]	N/A	15.3%	13.9%	N/A	12.6%	13.6%	12.7%
Broadband[10]	N/A	17.7%	16.8%	N/A	15.6%	16.3%	15.2%

(1) Except for ARPU, which is in U.S. Dollars, and percentages and ratios.
(2) Peso amounts have been converted at a rate of Ps. 9.270 per U.S.$1.00, which was the average *Banco Nación* exchange rate for the full year 2015, and at the rate of Ps. 14.488 per U.S.$1.00, which was the average *Banco Nación* exchange rate for the three months ended March 31, 2016.
(3) Except for ARPU, which is in Pesos, and percentages and ratios.
(4) We have defined Adjusted EBITDA as revenues minus cost of sales, selling and administrative expenses (excluding depreciation and amortization). We have included information concerning Adjusted EBITDA (which is not a measure of financial performance or liquidity under Argentine GAAP or U.S. GAAP) because we believe it is a financial statistic commonly reported and widely used by analysts and other interested parties. 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. Finally, we understand that Adjusted EBITDA may be defined differently by different companies. Therefore, adjusted EBITDA as reported by other companies may not be comparable to Adjusted EBITDA as reported herein.
(5) Current Assets / Current Liabilities
(6) Equity/Total Liabilities
(7) Non-Current Assets/ Total Assets
(8) Total comprehensive Income for the period / Average Equity
(9) Figures in millions.
(10) Subscribers as a percentage of total active customer relationships.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on and should be read in conjunction with our Financial Statements and related notes included elsewhere in this offering memorandum. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this offering memorandum, particularly in "Risk Factors."

Overview

We are an Argentine *sociedad anónima* (corporation), subject to the laws of Argentina and the regulations of the local authorities. We prepare our Financial Statements in accordance with IFRS. See "Selected Financial and Operating Data" and other financial information contained in this offering memorandum.

Factors Affecting our Results of Operations

The Argentine Economy

We are an Argentine *sociedad anónima* (corporation). Substantially all of our assets and operations and our customers are located in Argentina. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing from time to time in Argentina. See "Risk Factors—Risks Relating to Argentina."

The following table sets forth information about certain economic indicators in Argentina for the years indicated. For information regarding the reliability of this data, see "Risk Factors—Risks Relating to Argentina—The credibility of several Argentine economic indices has been called into question, which may lead to a lack of confidence in the Argentine economy and, in turn, limit our ability to access credit and the capital markets."

	2011	2012	2013	2014	2015
Economic Activity					
Real GDP (Pesos of 2004) (% change)	8.4%	0.8%	2.9%	0.5%	2.1%[1]
Nominal GDP in current U.S.$[2] (in millions of U.S.$)	559,778	607,621	621,707	545,116	n.a.[3]
Real Gross Domestic Investment (Pesos of 2004) As % of GDP	19.4%	(7.0)%	3.1%	(5.5)%	n.a.[4]
Price Indexes and Exchange Rate Information					
Consumer Price Index (INDEC CPI) (% change)	9.5%	10.8%	10.9%	24.0%	n.a.
Inflation (as measured by the City of Buenos Aires CPI) (% change)	n.a.	n.a.	26.6%	38.0%	26.9%
Inflation (as measured by the Province of San Luis CPI) (% change)	23.3%	23.0%	31.9%	39.0%	31.6%
Wholesale Price Index (WPI) (% change)	12.7%	13.1%	14.8%	28.3%	n.a.
Nominal Exchange Rate[5] (in Ps./U.S.$ at year end)	4.303	4.917	6.518	8.552	13.005

	2011	2012	2013	2014	2015
External Indicators and International Reserves Position					
Trade Merchandise Balance (in millions of U.S.$)	12,212	14,940	4,670	5,907	(453)
Current Account Balance[6] (in billions of U.S.$)	(4.5)	(1.4)	(12.1)	(8.1)	(16.0)
Central Bank International Reserves[7] (in billions of U.S.$)	46.4	43.3	30.6	31.4	25.6
Fiscal Indicators					
Federal Fiscal Revenues[8] (in millions of Pesos)	432,029	543,818	707,889	997,208	1,298,566
As % of GDP	18.7%	19.7%	20.8%	22.5%	n.a.
Federal Primary Expenses (in millions of Pesos)	427,109	548,193	730,368	1,035,769	1,403,363
As % of GDP	18.5%	19.8%	21.4%	23.4%	n.a.
Federal Primary Fiscal Balance[9] (in millions of Pesos)	4,920	(4,375)	(22,479)	(38,562)	(104,797)

Sources: Ministry of Public Works of Argentina, Central Bank, Instituto Nacional de Censos y Estadísticas (INDEC) and Company estimates.

(1) Variation according to preliminary estimates published by INDEC on March 30, 2016. Real GDP data was not released and is not available as of the date of this offering memorandum.
(2) Based on the average nominal Ps./U.S.$ exchange rate for each year.
(3) Only Annualized data (other than exchange rate information based on estimates by the Ministry of Treasury) available. The annualized data GDP for 2015 is U.S.$0.57 million and is included for comparison purposes only, and is not necessarily indicative of, and may vary materially from, performance for the full fiscal year. Annualized figures are calculated by averaging the annualized nominal GDP data for each of the first and second quarters.
(4) Only available for the first half of 2015 as compared to the first half of 2014. The variation for the first half of 2015 as compared to the same period in 2014 is 3.0%.
(5) Central Bank reference exchange rates (Communication A 3500 of Central Bank).
(6) Earned Basis.
(7) Balances at year end.
(8) Includes pension contributions mandated by the Argentine Integrated Pension System.
(9) Includes automatic and non-automatic transfers to provinces.

In 2011, Argentina's real GDP increased by 8.4% according to data published by the INDEC, primarily as a result of (i) a 19.4% increase in gross investment, mainly due to a 32.1% increase in investments in durable equipment for production and an 8.1% increase in construction investments; and (ii) a 10.1% increase in total consumption, resulting from a 10.2% increase in private sector consumption and an 8.8% increase in public sector consumption. These factors were partially offset by a 22.6% increase in imports, driven by the expansion of economic activity, which resulted in a negative trade balance.

In 2012, the rate of growth of Argentina's real GDP decreased to 0.8% according to INDEC data. This economic slowdown was attributed to local and external factors, primarily the deceleration of growth in developing economies, including Argentina's principal trading partners, and an extended drought affecting agricultural production. Real GDP growth in 2012 was primarily attributable to a 4.5% increase in total consumption, resulting from a 5.9% increase in public sector consumption and a 4.3% increase in private sector consumption. However, this increase in total consumption was partially offset by a 7.0% decline in gross investment resulting from a 10.8% decrease in investments in durable equipment for production and a 3.3% decrease in construction investments.

Following the deceleration in 2012, Argentina's real GDP growth recovered in 2013, growing 2.9% as compared to 2012 according to data published by the INDEC. Domestic demand in 2013 helped to offset weak demand from the rest of the world. Real GDP growth in 2013 was primarily driven by a 4.3% increase in total consumption, resulting from a 4.2% increase in public sector consumption and a 4.3% increase in private sector

consumption, as well as a 3.1% increase in gross investment due to a 3.6% increase in investments in durable equipment of production and a 2.6% increase in construction investments.

In 2014, the rate of growth of Argentina's real GDP decelerated, growing 0.5% compared to 2013 according to the INDEC, reflecting the impact of the deceleration of growth in developing economies on Argentina's exports, growing uncertainty in the financial sector and fluctuations in foreign exchange rates. The deceleration of real GDP growth in 2014 primarily resulted from a 30.7% decrease in net exports, a 5.5% decrease in gross investment and a 0.1% decrease in total consumption.

According to preliminary estimates published by INDEC on March 30, 2016 (using the new calculation methodology), real GDP grew by 2.1% in 2015. As of the date of this offering memorandum, sector-level data, other than certain real GDP variation estimates (compared to 2014) published by INDEC, is not available for the full year 2015. During the first half of 2015, real GDP growth was primarily attributable to an increase in consumption and investment, with an 8.7% increase in the construction sector, a 3.0% increase in gross fixed capital formation and a 0.8% increase in private consumption. In addition, growth in domestic production of goods and services and a decrease in imports led to positive net exports during this period.

The devaluation of the Peso with respect to the U.S. Dollar exceeded 32.6% in 2013 and 31.2% in 2014. In 2015, the Peso lost approximately 52% 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, primarily concentrated after December 16, 2015 as a consequence of the new administration's elimination of a significant portion of foreign exchange controls. See "Risk Factors—Risks Relating to Argentina—Fluctuations in the value of the Peso could adversely affect the Argentine economy and, in turn, adversely affect our results of operations" and "Exchange Rate Information and Exchange Controls."

The long-term evolution of the Argentine economy remains uncertain. While economic, political and social conditions have improved, the country still faces significant challenges, including the need to attract investments in capital goods that will permit sustainable growth and reduce inflationary pressures, the renegotiation of utility contracts, the resolution of the energy crisis, the treatment of bondholders who rejected the Argentine government's 2005 and 2010 debt exchange offers, the restructuring of the financial system and the reform of its tax regime. In light of these uncertainties, the following discussion may not be indicative of our current or future results of operations, liquidity or capital resources and may not contain all of the necessary information to help you understand the information contained in this discussion with results from previous or future periods. Accordingly, the following discussion should be read in conjunction with, and is qualified in its entirety by, the risk factors contained in this offering memorandum.

Source and Mix of Revenues and Costs

We derive substantially all of our revenue from subscriptions for basic cable and broadband access services. Between 2013 and 2015, our broadband service subscribers increased by 19.7%, from 1,691,000 to 2,026,000. During that period, the portion of our packages subscriber base increased by 17%, representing 43% of the total subscriber base as of December 31, 2015. Other sources of revenue include premium cable services, installation charges, charges for additional outlets, additional packages, DVR and the selling of our magazine, "Miradas." Our revenue from subscriptions is primarily a function of the number of subscribers served by our networks during the relevant period. Cable and broadband subscribers are added through the expansion of our network and marketing of our services to homes passed by our networks.

We principally generate our revenues through monthly fees charged to our subscribers that are payable in Pesos. We generally seek to increase our revenues through the growth of our customer base and through the introduction of value-added services and products aimed at different customer needs. Further, we expect to increase our revenue through new product launches and the expansion of our broadband customer base. Our results of operations are therefore dependent on our customer base and the number of services that each customer uses. Overall revenue and costs are also affected by the mix of services we provide, with broadband generally being associated with higher margins relatively to cable television. In 2013, 2014 and 2015, 66.4%, 65.0% and 62.0%, of our revenues respectively, was generated by our cable subscriptions while 19.6%, 19.4% and 23.9%, respectively,

was generated by our broadband subscriptions. We expect that during the following years, the broadband subscriptions' percentage share of our revenues will continue to increase.

Our costs of sales, selling expenses and administrative expenses consist primarily of (i) programming costs; (ii) payroll and social security charges and other personnel expenses; (iii) property, plant and equipment depreciation, maintenance and leases; and (iv) public utilities and tax rates. Between 2013 and 2015, more than 90% of our total operating costs were Peso-denominated. The portion of operating costs that are U.S. Dollar-denominated is mainly comprised of programming costs related to special events, data transfer costs and maintenance of property, plant and equipment and network expenses, among others.

Programming costs are among the largest component of these expenses, and mainly consist of the fees that we pay to certain programming suppliers. Our programming costs are primarily correlated with fee increases charged to our customers and growth in the number of our enhanced cable subscribers.

Effects of Inflation

Argentina has faced and continues to face inflationary pressures. From 2011 to 2015, Argentina experienced increases in inflation as measured by CPI and WPI that reflected the continued growth in the levels of private consumption and economic activity (including exports and public and private investment), which applied upward pressure on the demand for goods and services. According to INDEC data, the CPI grew 9.5% in 2011, 10.8% in 2012 and 10.9% in 2013. The WPI increased 12.7% in 2011, 13.1% in 2012, 14.8% in 2013 and 28.3% in 2014. In February 2014, the INDEC released a new inflation index relying on a different methodology (the CPI Nu) intended to measure prices of goods on a country-wide basis. See "Risk Factors—Risks Relating to Argentina—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of this offering and/or the market value of the notes." The annual change in CPI during 2014 cannot be estimated due to the implementation of the new INDEC methodology. However, since December 2013, the Secretary of Economic Policy published monthly CPI figures (using the new methodology). Using this information, the annual change in INDEC CPI as of December 2014 was 24%. The INDEC has not published complete CPI or WPI information for 2015. During 2015, the City of Buenos Aires CPI was 26.9% and the Province of San Luis CPI was 31.6%.

On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to its CPI, GDP and foreign trade data, the Macri administration issued Decree No. 55/2016 declaring a state of administrative emergency for the national statistical system and the INDEC until December 31, 2016. Certain publications, such as the price index of the City of Buenos Aires published by the Directorate General of Statistics and Censuses of the Ministry of Finance of the City of Buenos Aires, have shown an increase in the inflation index during the months of December 2015, January 2016 February 2016 and March 2016, having recorded values for these periods of 3.9%, 4.1%, 4.0% and 3.3% respectively.

During periods of high inflation, effective wages and salaries tend to fall and consumers adjust their consumption patterns to eliminate unnecessary expenses, possibly including cable television and broadband services. The increase in inflationary risk may erode macroeconomic growth and further limit the availability of financing, causing a negative impact on our operations. See "Risk Factors—Risks Relating to Argentina—If the current levels of inflation do not decrease, the Argentine economy could be adversely affected." Inflation increases also have a negative impact on our costs of sales, selling expenses and administrative expenses, in particular our payroll and social security charges and programming costs. We cannot give any assurance that increased costs as a result of inflation will be offset in whole or in part with increases in our cable and broadband services fees.

Although the significant changes such as those observed in the past few years in the prices of relevant economic variables affecting our business, such as salary and wages costs, interest rates and exchange rates may not reach the levels established in IAS 29 Financial Reporting in Hyperinflationary Economies for the Argentine economy to qualify as hyperinflationary, they still affect our financial position, financial performance and cash flows and, therefore, the information provided in our Financial Statements, which is why these changes should be taken into account in interpreting our financial position, financial performance and cash flows presented in these Financial Statements.

Effects of Fluctuations in Exchange Rates between the Argentine Peso and the U.S. Dollar

Although approximately 92.8% of our financial obligations are denominated in U.S. Dollars as of December 31, 2015, we use financial instruments to hedge our currency risk for only a limited portion of interest payments for our U.S. Dollar denominated debt. Any significant devaluation of the Peso, such as the devaluation in early 2014 and in December 2015, results in an increase in the cost of servicing our debt and, therefore, may have a material adverse effect on our results of operations. See "Risk Factors—Risk Relating to Argentina—Fluctuations in the value of the Peso could adversely affect the Argentine economy and, in turn, adversely affect our results of operations."

Acquisition and Internal Growth

We operate primarily in Argentina. Except for the acquisitions of Multicanal and Teledigital in September 2006 and the acquisition of Nextel in January 2016, we have focused our strategy primarily on internal growth.

We have focused on increasing our broadband internet penetration by providing and offering bandwidth connectivity to our existing cable television subscribers and to new customers. We have also grown our broadband subscriber base by emphasizing our bandwidth capabilities and expanding the products and services that we offer with a focus on launching products and services with faster speed options tailored to our customers' evolving needs. The diversification of our product mix to increase our broadband offerings, coupled with an increase in the portion of total revenues represented by broadband services have, in turn, resulted in an increased ARPU. Total ARPU (in Pesos) increased by 42% between 2013 and 2014, and by 40% between 2014 and 2015 primarily due to the increased penetration of our broadband services, a 10% increase in the number of our broadband customers, and inflation, among other things.

Total Active Customer Relationships and Churn

The number of our customers is dependent upon the number of new customers we obtain for our services and the number of customers that terminate our services, or churn. We have consistently achieved customer growth across our operations. Our total customer base grew from approximately 3.76 million customers as of December 31, 2013, to approximately 3.87 million customers as of December 31, 2015. Our customer base remained stable during the first quarter of 2016.

Certain Recent Events Affecting Comparability of Our Operating Results

Acquisition of Nextel

As a result of our assumption of control of Nextel in January 2016, our consolidated financial and operating information as of and for the three months ended March 31, 2016 includes the consolidation of Nextel's financial and operating information from January 1, 2016. Notwithstanding the fact that we assumed control of Nextel on January 27, 2016, our financial and operating information reflects the consolidation of Nextel as from January 1, 2016. This retroactive consolidation did not have significant impact on such information. Therefore, financial and operating information for the three months ended March 31, 2016 may not be directly comparable with financial and operating information for prior periods. Between September 30, 2015 and December 31, 2015, we accounted for Nextel under the equity method. Nextel sales for the three months ended March 31, 2016, totaled Ps. 839.5 million and Adjusted EBITDA attributable to Nextel for the same period amounted to Ps. 140.2 million.

Key Business Measures

Average Revenue per User

Our results of operations are dependent on our customer base and the number of services that each customer uses. Total ARPU of our active customer relationships was Ps. 211 in 2013, Ps. 300 in 2014, and Ps. 420 in 2015 and Ps. 518 in the three months ended March 31, 2016. The 40% increase in total ARPU in 2015 compared

to 2014 was primarily due to the increased penetration of our broadband services and 10% increase in the number of our broadband customers.

Churn Rate

Churn refers to the termination of a customer's account. The churn rate is determined by calculating the total number of disconnected customers over a given period as a percentage of the initial number of relevant customers for the same period.

Our cable customer churn rate for the three months ended March 31, 2016 was 15.3%, compared to 13.9% during the same period in 2015, and was 12.6% for the year ended December 31, 2015, compared to 13.6% in 2014 and 12.7% in 2013.

Our broadband customer churn rate for the three months ended March 31, 2016, was 17.7%, compared to 16.8% during the same period in 2015. Our broadband customer churn rate was 15.6% for the year ended December 31, 2015, compared to 16.3% in 2014 and 15.2% in 2013.

To reduce our churn rate, we pursue a vigorous customer service and retention policy.

Critical Accounting Policies

Our Financial Statements include our consolidated financial position, results of operations and cash flows. Our Financial Statements are prepared in conformity with IFRS. IFRS requires management to make estimates that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses. We evaluate our estimates, including those related to tangible and intangible assets, bad debts, inventories, provisions and income taxes, on an ongoing basis. We base our estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that the following accounting policies used in preparation of our Financial Statements prepared in accordance with IFRS are our critical accounting policies as they require management to make estimates that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

Fair value measurement of certain financial instruments

The fair value of a financial instrument is the amount for which it 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 on the basis of the price established in recent transactions involving the same or similar instruments, or, otherwise, on the basis of valuation techniques regularly used in financial markets. We use our judgment to select a variety of methods and makes assumptions on the basis of market conditions at closing.

The methodology used for the measurement of the fair value of certain financial instruments is more fully described in Note 2.19 to our Financial Statements.

Allowance for bad debts

We review our doubtful accounts on a monthly basis for estimated losses resulting from the inability of our customers to make the required payments. The customer base in the cable television and Internet segment is primarily residential in nature.

We invoice most of our subscribers in advance. A majority of Argentine cable television and broadband subscribers pay their invoices by automatic credit card or bank account debits. We seek to enforce a strict disconnection policy, which provides for the disconnection of cable television services after a three-month period of non-payment and delivery of a notice of disconnection. With respect to broadband services, we disconnect our services after a two-month period of non-payment and delivery of a corresponding notice of disconnection. Our efforts to improve customer retention and collections have resulted in a reduction in the lag between invoicing and collection and, accordingly, a decrease in our charges for doubtful accounts.

In calculating the allowance for bad debts with respect to debt instruments that are not measured at fair value, we take into account historic collectability records and other factors known at the time of the calculation.

We believe that the accounting estimate relating to doubtful accounts is a critical accounting estimate because changes in the level of doubtful debts may materially affect net income.

Provision for lawsuits and contingencies

We are involved in legal, fiscal and administrative disputes in the normal course of our business. The outcome of these claims may have a material impact on our balance sheet as well as on our net income. See "Regulatory Framework and Description of the Argentine Cable and Broadband Industries— Antitrust Considerations—Legal Proceedings." The factors taken into account for the calculation of the provisions for lawsuits and contingencies are based on the present value of the estimated costs arising from the lawsuits brought against us. In estimating our obligations, we take into consideration the opinion of our legal advisors. Due to the uncertain nature of these issues, these estimates change as additional information becomes available and could result in material changes to the financial statements in subsequent periods. As of December 31, 2015, we had reserved Ps. 271.4 million for pending disputes.

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

Certain assets, including property, plant and equipment and intangible assets are tested for impairment. We record impairment losses when we estimate that there is objective evidence thereof 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. Impairment of the value of non-financial assets is more fully described in Note 2.15 to our Financial Statements.

Impairment of goodwill

We assess goodwill for impairment on an annual basis. In determining if there is impairment of goodwill, we calculate the value in use of the cash generating units to which it has been allocated. The calculation of the value in use requires us to determine the future cash flows that should arise from the cash generating units and an appropriate discount rate to calculate the present value. During the fiscal year ended December 31, 2015, we recorded no impairment losses of goodwill.

Recognition and measurement of deferred tax items

As set forth in Note 2.12 to our Financial Statements, deferred tax assets are only recognized for temporary differences to the extent it is likely that each entity, on an individual basis, will have sufficient future taxable income against which to apply the deferred tax assets. Tax loss carry forwards from prior years are only recognized when it is likely that each entity will have sufficient future taxable income against which they can be used. Pursuant to regulations in effect, the use of the subsidiaries' tax credits is based on a projection analysis of future income. We examine the recoverable value of the deferred tax assets based on our business plans and book a valuation allowance, if applicable, so that the net position of the deferred tax asset will reflect probable recoverable value.

Determination of the useful lives of property, plant and equipment and intangible assets

We review the reasonableness of the estimated useful lives of property, plant and equipment and intangible assets at the end of each year. The estimated useful lives as of December 31, 2015 did not differ from those estimated in prior years.

Results of Operations

Three Months Ended March 31, 2016 Compared to Three Months Ended March 31, 2015

Commencing January 1, 2016, our financial and operating results reflect the consolidation of Nextel which from September 30, 2015 to December 31, 2015 had been accounted for under the equity method. Notwithstanding the fact that we assumed control of Nextel on January 27, 2016, our financial and operating information reflects the consolidation of Nextel as from January 1, 2016. This retroactive consolidation did not have significant impact on such information. The consolidation of Nextel and the other factors described below affect the comparability of our results for the three months ended March 31, 2016 and 2015.

See "—Certain Recent Events Affecting Comparability of Our Operating Results—Acquisition of Nextel."

Revenues

The details of our revenues are as follows:

	For the three months ended March 31, (unaudited)		
	2016	2015	% Change
	(in millions of Pesos)		
Subscription Revenue:			
Cable television[(1)]	Ps. 4,406	Ps. 3,367	30.9%
Phone services	763	-	N/A
Broadband internet	1,616	1,027	57.4%
Cable subscription and Internet revenue	6,785	4,394	54.4%
Non-Subscription Revenue:			
Advertising	21	19	7.6%
Others	263	146	79.9%
Total	**Ps. 7,068**	**Ps. 4,559**	**55.0%**

(1) Includes fees for basic cable service, premium and pay-per-view programming services, digital packages, DVR, HD packages, VOD and connection fees.

Our revenues increased by 55.0%, from Ps. 4,559 million in the three months ended March 31, 2015 to Ps. 7,068 million for the same period in 2016. This increase was principally attributable to a 10% increase in the number of subscribers (of which increase 83.0% was of broadband subscribers and 17.0% was of cable subscribers). The increase in total ARPU for the three months ended March 31, 2016 was primarily attributable to an increase in the average invoice amount and in subscribers. During this period, Nextel's revenues represented Ps. 839.5 million, of which 90.9% corresponded to phone services.

Our cable subscription revenues increased by 30.9%, from Ps. 3,367 million in the three months ended March 31, 2015 to Ps. 4,406 million for the same period in 2016. This increase was primarily attributable to (i) a 29.7% increase in the average invoice amount and (ii) a 0.9% increase in subscribers. Revenues derived from broadband fees amounted to Ps. 1,616 million in the three months ended March 31, 2016, as compared to Ps. 1,027 million for the same period in 2015, mainly due to a 10% increase in broadband subscribers. Our advertising revenues increased by 7.6%, from Ps. 19 million in the three months ended March 31, 2015 to Ps. 21 million for the

same period in 2016. Other revenues increased by 79.9%, from Ps. 146 million in the three months ended March 31, 2015 to Ps. 263 million for the same period in 2016. This increase was due to the consolidation of Nextel and the sale of tracking radio devices.

For the three months ended March 31, 2016, total ARPU (excluding Nextel) was Ps. 518, representing a 34.0% increase from an ARPU of Ps. 388 for the same period in 2015. This increase was primarily due to the introduction of new cable and broadband products and services and an increase in the fees charged to our customers.

Cost of Sales, Selling Expenses and Administrative Expenses

Our cost of sales, selling expenses and administrative expenses consist primarily of (i) payroll and social security charges and other personnel expenses, (ii) programming costs, (iii) depreciation of property, plant and equipment, and amortization of intangible assets, (iv) public utilities and tax rates and (v) maintenance of property, plant and equipment and network expenses. Our costs of sales, selling expenses and administrative expenses increased in the aggregate by 59.5%, from Ps. 3,023 million in the three months ended March 31, 2015 to Ps. 4,821 million in same period in 2016. In the three months ended March 31, 2016 and 2015, an estimated 7.0% of our total costs were denominated in U.S. Dollars.

Our cost of sales increased by 53.9% to Ps. 3,091 million in the three months ended March 31, 2016, from Ps. 2,009 million for the same period in 2015.

Selling expenses increased by 85.7% to Ps. 972 million in the three months ended March 31, 2016, from Ps. 523 million for the same period in 2015.

Administrative expenses increased by 54.4% to Ps. 757 million in the three months ended March 31, 2016, from Ps. 490 million for the same period in 2015.

The details of our cost of sales, selling expenses and administrative expenses are as follows:

	For the three months ended March 31, (unaudited)		
	2016	2015	% Change
	(in millions of Pesos)		
Payroll and social security charges and other personnel expenses	Ps. 1,109	Ps. 841	31.8%
Programming costs	897	663	35.3%
Depreciation of property, plant and equipment	517	337	53.4%
Public utilities and tax rates	515	291	76.8%
Maintenance of property, plant and equipment and network expenses	505	215	134.5%
Fees for services	284	175	62.1%
Collection expenses and commissions	197	122	61.3%
Advertising and promotion	124	84	47.4%
Data transfer costs	163	57	184.8%
Other[1]	451	237	90.9%
Sub-Total	**Ps. 4,761**	**Ps. 3,023**	**57.5%**
Cost of goods sold[2]	59	-	N/A
Total	**Ps. 4,821**	**Ps. 3,023**	**59.5%**

(1) Includes severance costs, leases, fees to directors and syndics, office expenses, production of magazine, bad debts, obsolescence of material, miscellaneous, representation expenses, lawsuits and contingencies and amortization of intangible assets.

(2) Cost of goods sold includes (i) inventories at the beginning of the year, (ii) incorporation of acquired companies balances (iii) inventories at the end of the period and (iv) net purchases of the period.

Expenses for payroll and social security charges and other personnel expenses increased by 31.8% to Ps. 1,109 million in the three months ended March 31, 2016, from Ps. 841 million for the same period in 2015 (such expenses represented 23.0% and 27.8% of cost of sales, selling expenses and administrative expenses for 2016 and 2015, respectively). This increase was principally attributable to the effect of salary increases and, to a lesser extent, to an increase in our payroll, net of the employer's VAT tax credit, as from September 2015 which resulted, in part, from the acquisition of Nextel.

Programming costs increased by 35.3% to Ps. 897 million in the three months ended March 31, 2016, from Ps. 663 million for the same period in 2015. This increase in programming costs was primarily the result of an increase in the fees paid under certain programming agreements due to an increase in our subscriber base, an increase in the fees charged to our customers and, to a lesser extent, to an increase in the premium packages purchased from our suppliers. Programming costs represented 20.4% of our cable revenues for the three months ended March 31, 2016, and 19.7% for the same period in 2015. Programming contracts are not affected by devaluation, as they are primarily denominated in Pesos, and are affected by changes in our subscriber base and in the fees charged to such subscribers.

Property, plant and equipment depreciation increased by 53.4% to Ps. 517 million in the three months ended March 31, 2016, from Ps. 337 million in 2015. This increase was primarily due to an increase in our investments in cable equipment and networks after the first quarter of 2015.

Public utilities and tax rates increased by 76.8% to Ps. 515 million in the three months ended March 31, 2016, from Ps. 291 million for the same period in 2015. Public utilities are fixed monthly charges and the majority of the tax rates are levied based on revenues from services during the relevant period. This increase was mainly due to an increase in revenues in the three months ended March 31, 2016. Public utilities and tax rates represented 7.3% and 6.4% of our revenues for the first three months of 2016 and 2015, respectively.

Maintenance of property, plant and equipment and network expenses increased by 134.5% to Ps. 505 million in the three month ended March 31, 2016, from Ps. 215 million for the same period in 2015. This increase was due to increased costs in our routine network maintenance activity in the first three months of 2016.

Fees paid for services rendered by third parties increased by 62.1% to Ps. 284 million in the three months ended March 31, 2016, from Ps. 175 million for the same period in 2015. This increase was mainly due to higher fees paid to the providers of such services as a result of the impact of increased inflation.

Collection expenses and commissions (which include bank fees charged on automatic account debiting arrangements) increased by 61.3% to Ps. 197 million in the three months ended March 31, 2016, from Ps. 122 million for the same period in 2015. This increase was mainly due to an increase in the volume of banking transactions as a result of our higher revenues and the higher number of clients that used automatic account debiting to pay for our services since the first three months of 2015.

Advertising and promotion expenses increased by 47.4% to Ps. 124 million in the three month ended March 31, 2016, from Ps. 84 million for the same period in 2015. This increase was mainly due to the impact of increased inflation on these expenses.

Data transfer costs increased by 184.8% to Ps. 163 million in the three months ended March 31, 2016, from Ps. 57 million for the same period in 2015. This increase was attributable to the effect of a greater devaluation of the Peso against the U.S. Dollar in 2015.

Cost of goods sold increased to Ps. 59 million in the three months ended March 31, 2016, from nil for the same period in 2015. This increase was attributable to the consolidation of Nextel.

Financial Results

We had net financial expenses of Ps. 653 million in the three months ended March 31, 2016, compared to net financial expenses of Ps. 312 million for the same period in 2015. This 109.5% increase was mainly due to

higher charges for currency exchange differences, which increased from a loss of Ps. 120.9 million in the three month ended March 31, 2015 to a loss of Ps. 870.9 million for the same period in 2016, as a result of the impact of an approximately 65.3% devaluation of the Peso against the U.S. Dollar between March 2015 and March 2016 on our U.S. Dollar-denominated indebtedness.

Equity in Earnings From Associates

Equity in earnings from associates increased by 75.0% to Ps. 37 million in the three months ended March 31, 2016, from Ps. 21 million for the same period in 2015.

Income Tax

We recorded charges for income tax of Ps. 544 million in the three months ended March 31, 2016, compared to charges of Ps. 408 million for the same period in 2015, as a result of an increase in profits during the first quarter of 2016. Our effective tax rates for the three months ended March 31, 2016, and 2015 were 31.2% and 32.7%, respectively.

Net Income for the Year

As a result of the factors described above, our net comprehensive income in the three months ended March 31, 2016, was Ps. 1,244 million, compared to a net comprehensive income of Ps. 639 million for the same period in 2015, representing an increase of 94.6%. Of our total net comprehensive income, Ps. 1,248 million was attributable to our equity holders, partially offset by Ps. 4 million attributable to non-controlling interest.

Years Ended December 31, 2015 Compared to Year Ended December 31, 2014

Revenues

The details of our revenues are as follows:

	For the year ended December 31,		
	2015	2014	% Change
Subscription Revenue:	(in millions of Pesos)		
Cable television[(1)]	Ps. 14,430	Ps. 10,777	33.9%
Broadband internet	4,818	2,756	74.8%
Cable subscription and Internet revenue	19,248	13,532	42.2%
Non-Subscription Revenue:			
Advertising	119	87	36.3%
Others	758	607	25.0%
Total	**Ps. 20,125**	**Ps. 14,226**	**41.5%**

(1) Includes fees for basic cable service, premium and pay-per-view programming services, digital packages, DVR, HD packages, VOD and connection fees.

Our revenues increased by 41.5%, from Ps. 14,226 million in 2014 to Ps. 20,125 million in 2015. This increase was principally attributable to an 8% increase in the number of subscribers (of which 75% were broadband subscribers and 25% were cable subscribers). The increase in total ARPU in 2015 was due to the introduction of new broadband and cable products and services, as well as increases in subscription fees as a result of inflation.

Our cable subscription revenues increased by 33.9%, from Ps. 10,777 million in 2014 to Ps. 14,430 million in 2015. This increase was primary attributable to: (i) a 32.3% increase in the average invoice amount and (ii) a 1.2% increase in subscribers. Revenues derived from broadband fees Ps. 4,818 million in 2015, as compared to Ps. 2,756 million in 2014, mainly due to an 11% increase in broadband subscribers as a result of the higher speed of broadband services offered to customers. Our advertising revenues increased by 36.3%, from Ps. 87 million in 2014 to Ps. 119 million in 2015.

In 2015, total ARPU was Ps. 420, representing a 40% increase compared to 2014. This increase was primarily due to the introduction of new broadband and cable products and services, as well as increases in subscription fees as a result of inflation.

Cost of Sales, Selling Expenses and Administrative Expenses

In 2015, our cost of sales, selling expenses and administrative expenses consisted primarily of (i) payroll and social security charges and other personnel expenses, (ii) programming costs, (iii) public utilities and tax rates, (iv) maintenance of property, plant and equipment and network expenses and (v) depreciation of property, plant and equipment. Our costs of sales, selling expenses and administrative expenses increased in the aggregate by 33.8%, from Ps. 10,764 million in 2014 to Ps. 14,397 million in 2015. In 2015 and 2014, an estimated 7% of our total costs were denominated in U.S. Dollars.

Our cost of sales increased by 27.8% to Ps. 9,244 million in 2015, from Ps. 7,233 million in 2014.

Selling expenses increased by 40.0% to Ps. 2,525 million in 2015, from Ps. 1,803 million in 2014.

Administrative expenses increased by 52.1% to Ps. 2,628 million in 2015, from Ps. 1,728 million in 2014.

The details of our cost of sales, selling expenses and administrative expenses are as follows:

	For the year ended December 31,		
	2015	2014	% Change
	(in millions of Pesos)		
Payroll and social security charges and other personnel expenses	Ps. 4,154	Ps. 3,080	34.8%
Programming costs	2,889	2,181	32.5%
Public utilities and tax rates	1,327	893	48.7%
Maintenance of property, plant and equipment and network expenses	1,008	782	28.9%
Depreciation of property, plant and equipment	1,532	1,197	27.9%
Fees for services	838	643	30.5%
Advertising and promotion	434	324	34.0%
Collection expenses and commissions	553	383	44.3%
Data transfer costs	283	301	-6.0%
Other[(1)]	1,294	897	44.3%
Sub-total	**14,311**	**10,680**	**34.0%**
Cost of goods sold[(2)]	86	84	2.3%
Total	**Ps. 14,397**	**Ps. 10,764**	**33.8%**

(1) Includes severance costs, leases, fees to directors and syndics, office expenses, production of magazine, bad debts, obsolescence of material, miscellaneous, representation expenses, lawsuits and contingencies and amortization of intangible assets.

(2) Cost of goods sold includes (i) inventories at the beginning of the year, (ii) incorporation of acquired companies balances (iii) inventories at the end of the period and (iv) net purchases of the period.

Expenses for payroll and social security charges and other personnel expenses increased by 34.8% to Ps. 4,154 million in 2015, from Ps. 3,080 million in 2014 (such expenses represented 28.9% and 28.6% of cost of sales, selling expenses and administrative expenses for 2015 and 2014, respectively). This increase was principally attributable to the effect of salary increases and, to a lesser extent, an increase in our payroll.

Programming costs increased by 32.5% to Ps. 2,889 million in 2015, from Ps. 2,181 million in 2014. This increase in programming costs was primarily the result of increased monthly fees payable pursuant to the terms of certain programming agreements as a result of an increase in our subscriber base, an increase in the fees charged to our customers and, to a lesser extent, an increase in the volume of premium packages (including pay-per-view) purchased from our suppliers. Programming costs represented 20.0% of cable revenues in 2015 and 20.2% in 2014.

Programming contracts are not affected by devaluation, are primarily Peso-denominated and are positively related to the growth of our subscriber base and the fees charged to our subscribers.

Maintenance of property, plant and equipment and network expenses increased by 28.9% to Ps. 1,008 million in 2015, from Ps. 782 million in 2014. This increase was mainly due to increased costs in our routine networks maintenance activity in 2015.

Public utilities and tax rates increased by 48.7% to Ps. 1,327 million in 2015, from Ps. 893 million in 2014. Public utilities are fixed monthly charges and the majority of the tax rates are levied based on revenues from services during the relevant period. This increase was mainly due to an increase in revenues in 2015 and an increase in applicable provincial and municipal taxes. Public utilities and tax rates represented 6.6% and 6.3% of our revenues in 2015 and 2014, respectively.

Property, plant and equipment depreciation increased by 27.9% to Ps. 1,532 million in 2015, from Ps. 1,197 million in 2014. This increase was primarily due to an increase in our investments in cable equipment and networks in 2015.

Fees paid for services received by us from third parties, increased by 30.5% to Ps. 838 million in 2015, from Ps. 643 million in 2014. This increase was mainly due to higher fees paid to the providers of such services as a result of the impact of increased inflation.

Advertising and promotion expenses increased by 34.0% to Ps. 434 million in 2015, from Ps. 324 million in 2014.

Collection expenses and commissions increased by 44.3% to Ps. 553 million in 2015, from Ps. 383 million in 2014. This increase was mainly due to an increase in the volume of banking transactions as a result of our higher revenues and the higher number of clients that used automatic debt payment for our services in 2015.

These increases in cost of sales, selling expenses and administrative expenses were also partially offset by a 6.0% decrease in data transfer costs to Ps. 283 million in 2015, from Ps. 301 million in 2014. This decrease was mainly due to an increased capacity of data transfer and the renegotiation of new framework agreements which resulted in reduced costs per unit of data transfer in 2015.

Costs of goods sold increased by 2.3% to Ps. 86 million in 2015, from Ps. 84 million in 2014.

Financial Results

We had net financial expenses of Ps. 2,813 million in 2015, compared to net financial expenses of Ps. 1,607 million in 2014. This 75% increase was mainly due to higher charges for currency exchange differences, which increased from a loss of Ps. 1,107 million in 2014 to a loss of Ps. 2,139 million in 2015, as a result of the impact of an approximately 52% devaluation of the Peso against the U.S. Dollar in 2015, which increased our U.S. Dollar-denominated indebtedness. This increase in net financial expenses was also due, to a lesser extent, to a change in the applicable exchange rate, while our financial debt increased by 5.7%, in dollar terms, calculated at an exchange rate of Ps.13.04 and Ps. 8.55, for December 31, 2015 and 2014, respectively.

Equity in Earnings From Associates

Equity in earnings from associates increased by 774.3% to Ps. 505 million in 2015, from Ps. 58 million in 2014. This increase was mainly due to a Ps. 317 million gain associated with the acquisition of Nextel and to our 49% share, or Ps. 85 million, of Nextel's net income for the fourth quarter of 2015.

Income Tax

We recorded charges for income tax of Ps. 909 million in 2015, compared to charges of Ps. 597 million in 2014, as a result of an increase in profits during 2015. Our effective tax rate in 2015 and 2014 was 27% and 31%, respectively.

Net Income for the Year

As a result of the factors described above, our net comprehensive income in 2015 was Ps. 2.659 million, compared to a net income of Ps. 1,680 million in 2014, representing an increase of 58.3%. Of our total net comprehensive income, Ps. 2.646 million was attributable to our equity holders, while Ps. 13 million was attributable to non-controlling interests.

Years Ended December 31, 2014 Compared to Year ended December 31, 2013

Revenues

The details of our revenues are as follows:

	For the year ended December 31,				
	2014		2013		% Change
Subscription Revenue:	(in millions of Pesos)				
Cable television[(1)]	Ps.	10,777	Ps.	7,398	45.7%
Broadband internet		2,756		1,910	44.3%
Cable subscription and Internet revenue:		13,532		9,308	45.4%
Non-Subscription Revenue:					
Advertising		87		80	8.6%
Others		607		361	68.1%
Total	**Ps.**	**14,226**	**Ps.**	**9,749**	**45.9%**

(1) Includes fees for basic cable service, premium and pay-per-view programming services, digital packages, DVR, HD packages, VOD and connection fees.

Source: Cablevisión.

Our revenues increased by 45.9%, from Ps. 9,749 million in 2013 to Ps. 14,226 million in 2014. This increase was principally attributable to an 8% increase in the number of subscribers (of which 99% were broadband subscribers and 1% were cable subscribers), due to an increase in total ARPU stemming from the addition of new products in cable and increases in prices as a result of inflation.

Our cable subscription revenues increased by 45.7%, from Ps. 7,398 million in 2013 to Ps. 10,777 million in 2014, mainly due to increases in prices as a result of inflation. We also recorded revenues of Ps. 2,756 million from broadband fees in 2014, as compared to Ps. 1,910 million in 2013, mainly due to a 5.9% increase in the number of broadband subscribers and an increase in prices as a result of inflation. Our advertising revenues increased by 8.6%, from Ps. 80 million in 2013 to Ps. 87 million in 2014.

In 2014, our total average ARPU was Ps. 300, representing a 42% increase compared to 2013.

Cost of Sales, Selling Expenses and Administrative Expenses

In 2014, our costs of sales, selling expenses and administrative expenses consisted primarily of (i) payroll and social security charges and other personnel expenses, (ii) depreciation of property, plant and equipment, (iii) programming costs, (iv) public utilities and tax rates and (v) maintenance of property, plant and equipment and network expenses. Our cost of sales, selling expenses and administrative expenses increased in the aggregate by 36.7%, from Ps. 7,876 million in 2013 to Ps. 10,764 million in 2014. Approximately 7% of our total costs were denominated in US dollars.

Our cost of sales increased by 37.0% to Ps. 7,233 million in 2014, from Ps. 5,280 million in 2013.

Selling expenses increased by 37.4% to Ps. 1,803 million in 2014, from Ps. 1,312 million in 2013.

Administrative expenses increased by 34.5% to Ps. 1,728 million in 2014, from Ps. 1,284 million in 2013.

The details of our cost of sales, selling expenses and administrative expenses are as follows:

	For the year ended December 31,		
	2014	**2013**	**% Change**
	(in millions of Pesos)		
Payroll and social security charges and other personnel expenses	3,080	2,299	34.0%
Depreciation of property, plant and equipment	1,197	893	34.1%
Programming costs	2,181	1,521	43.4%
Public utilities and tax rates	893	608	46.8%
Maintenance of property, plant and equipment and network expenses	782	529	47.7%
Fees for services	643	513	25.2%
Advertising and promotion	324	262	23.8%
Collection expenses and commissions	383	261	47.0%
Data transfer costs	301	193	56.1%
Other[(1)]	897	723	23.9%
Sub-total	**10,680**	**7,801**	**36.9%**
Cost of goods sold	84	75	11.6%
Total	**10,764**	**7,876**	**36.7%**

(1) Includes severance costs, leases, fees to directors and syndics, office expenses, production of magazine, bad debts, obsolescence of material, miscellaneous, representation expenses, lawsuits and contingencies and amortization of intangible assets.
(2) Cost of goods sold includes (i) inventories at the beginning of the year, (ii) incorporation of acquired companies balances (iii) inventories at the end of the period and (iv) net purchases of the period.

Expenses for payroll and social security charges and other personnel expenses increased by 34.0% to Ps. 3,080 million in 2014, from Ps. 2,299 million in 2013 (such expenses represented 28.6% and 29.2% of cost of sales, selling expenses and administrative expenses for 2014 and 2013, respectively). This increase was principally attributable to the effect of salary increases and, to a lesser extent, an increase in our payroll.

Programming costs increased by 43.4% to Ps. 2,181 million in 2014, from Ps. 1,521 million in 2013. This increase in programming costs was mainly due to increased monthly fees payable pursuant to the terms of certain programming agreements. Programming costs represented 20.2% of cable revenues in 2014 and 20.6% in 2013. Programming contracts are not affected by devaluation, are mostly Peso-denominated and are positively related to the growth of our subscriber base and the fees charged to our subscribers.

Maintenance of property, plant and equipment and network expenses increased by 47.7% to Ps. 782 million in 2014, from Ps. 529 million in 2013. This increase was principally due to increased costs in our routine network maintenance activity in 2014.

Public utilities and tax rates increased by 46.8% to Ps. 893 million in 2014, from Ps. 608 million in 2013. This increase was mainly due to an increase in revenues in 2014. Public utilities and tax rates represented 6.3% and 6.2% of our revenues in 2014 and 2013, respectively.

Property, plant and equipment depreciation increased by 34.1% to Ps. 1,197 million in 2014, from Ps. 893 million in 2013. This increase was primarily due to an increase in our investments in cable equipment and networks in 2014.

Fees for services received by us from third parties, increased by 25.2% to Ps. 643 million in 2014, from Ps. 513 million in 2013. This increase was mainly attributable to higher fees paid to the providers of such services due to inflation.

Data transfer costs increased by 56.1% to Ps. 301 million in 2014, from Ps. 193 million in 2013. This increase was principally attributable to an increased volume of capacity used to transfer data and the effect of an increased Peso devaluation against the U.S. Dollar in 2014.

Advertising and promotion expenses increased by 23.8% to Ps. 324 million in 2014, from Ps. 262 million in 2013.

Collection expenses and commissions increased by 47.0% to Ps. 383 million in 2014, from Ps. 261 million in 2013. This increase was mainly due to an increase in the volume of banking transactions as a result of our higher revenues in 2014.

Cost of goods sold increased by 11.6% to Ps. 84 million in 2014 from Ps. 75 million in 2013.

Financial Results

We had net financial expenses of Ps. 1,607 million in 2014, compared to net financial expenses of Ps. 1,203 million in 2013. This 33.6% increase was mainly due to (i) higher charges associated with currency exchange differences, which increased from a loss of Ps. 908 million in 2013 to Ps. 1.107 million in 2014, as a result of the impact on our U.S. Dollar-denominated indebtedness of the 31.2% devaluation of the Peso against the U.S. Dollar in 2014; and (ii) higher interest expenses, which increased from Ps. 284 million in 2013 to Ps. 415 million as a result of our increased financial indebtedness during 2014 resulting from a greater Peso devaluation.

Income tax

We recorded charges for income tax of Ps. 597 million in 2014, compared to Ps. 61 million in 2013, as a result of an increase in profits during 2014. Our effective tax rate in 2014 and 2013 was 31% and 8%, respectively.

Net Income for the Year

As a result of the factors described above, our net comprehensive income in 2014 was Ps. 1,680 million in 2014, compared to a net profit of Ps. 1,055 million in 2013, representing an increase of 59.2%. Of our total net comprehensive income, Ps. 1,604 million was attributable to our equity holders, while Ps. 76 million was attributable to non-controlling interests.

Liquidity and Capital Resources

Overview

We operate in a capital-intensive industry, which requires significant investments. In the past, our growth strategy involved the acquisition of other cable television companies. Currently, our growth strategy principally involves the active improvement and expansion of our existing and acquired networks and equipment. We have historically relied on four main sources of funds:

- equity contributions from our shareholders;
- borrowings under bank facilities or debt security issuances;
- cash flows from operations; and
- financing by the sellers of cable systems we acquire.

The following table sets forth our cash position as of March 31, 2016 and as of December 31, 2015.

	As of March 31, 2016 (unaudited)	As of December 31, 2015
	(in millions of Pesos)	
Cash and banks	3,107	1,766
Investments:		
Fixed-term deposit	237	20
Mutual funds[(1)]	298	391
Cash and cash equivalents	3,642	2,177
Other current investments	969	500
Total cash and banks and investments	**4,611**	**2,677**
Cash and banks in local currency	421	352
Cash and banks in foreign currency	2,686	1,414
Total cash and banks in local and foreign currency	**3,107**	**1,766**

(1) The portion of the mutual funds not considered as cash equivalents as of March 31, 2016 and as of December 31, 2015 amounted to Ps. 808 million and Ps. 344 million, respectively.

Sources and Uses of Funds

The following table set forth our cash flows for the periods indicated.

	Three months ended March 31, (unaudited)		Year ended December 31,		
	2016	2015	2015	2014	2013
			(in millions of Pesos)		
Net cash provided by operating activities	1,605.0	1,396.6	6,339.5	4,627.9	2,522.5
Net cash used in investment activities	2,061.3	581.5	5,418.7	3,037.7	1,775.0
Net cash used in financing activities	422.3	(338.0)	566.0	1,328.3	727.2
Net increase in cash	(878.6)	1,153.1	354.8	261.8	20.3
Cash at the beginning of the year[(1)]	2,176.7	1,333.3	1,333.3	1,013.2	919.1
Cash at the end of the period/year[(1)]	3,642.0	2,521.3	2,176.7	1,333.3	1,013.2

(1) Includes cash and banks and investments with original maturities not exceeding three months.

Net cash provided by our operating activities

For the three months ended March 31, 2016, net cash provided by our operating activities was Ps. 1,605 million, compared to Ps. 1,397 million during the same period in 2015. This increase of 15% was primarily due to increases in revenues and Adjusted EBITDA margins during the period.

During the years ended December 31, 2015, 2014 and 2013, net cash provided by our operating activities was Ps. 6,339 million, Ps. 4,628 million and 2,522 million, respectively. These increases were primarily due to increases in revenues and Adjusted EBITDA margins during the relevant periods.

We believe our working capital is sufficient to meet our present requirements.

Net cash used in investment activities

Net cash used in investment activities for the three months ended March 31, 2016, increased by 254.5% from Ps. 581 million to Ps. 2,061 million compared to the same period of 2015, primarily due to an increase in capital expenditures.

During the year ended December 31, 2015, we used Ps. 1,649 million for the acquisition of companies. This included Ps. 799 million to acquire the 49% interest in Nextel on September 11, 2015 and an additional Ps. 850 million to acquire an option to purchase the remaining 51% interest.

During 2015, 2014 and 2013 we used Ps. 4,173 million, Ps. 2,371 million and Ps. 1,776 million, respectively for the acquisition of property, plant and equipment. Between 2013 and 2015, we focused on expanding and upgrading our data network to accommodate increased bandwidth consumption, increasing our two-way coverage and converting our network to 1Ghz, in addition to investing in equipment installations in the homes of new customers, acquiring new software and expanding our fleet of maintenance vehicles.

During the year ended December 31, 2015, net cash used in investment activities increased by 78.4% as compared to 2014. During the year ended December 31, 2014, net cash used in investment activities increased by 71.1% from Ps.1,775 million to Ps.3,038 million as compared to 2013.

Net cash used in financing activities

Net cash used in financing activities amounted to Ps. 422.3 million for the three months ended March 31, 2016, and consisted primarily of the amortization of the Syndicated Loan and the Series I-IV and Series V debt securities on February 11, 2016.

Net cash used in financing activities amounted to Ps. 566 million for the year ended December 31, 2015, primarily due to the Ps. 858 million principal repayment of Series I-IV Notes (as defined below), the prepayment of a syndicated loan, amortization of vendors' financing, interest payments of Ps. 587 million, and other expenses in connection with financial borrowings, which were partially offset by proceeds of new debt in an aggregate amount of Ps. 1,271 million, mainly in connection with the Series V Notes and the Syndicated Loan (each as defined below).

Net cash used in financing activities amounted to Ps. 1,328 million for the year ended December 31, 2014, principally due to the Ps. 1,135 million principal repayment of Series I-IV Notes and Standard-ITAU series notes, interest payments of Ps. 446 million and other expenses in connection with financial borrowings, which were partially offset by the proceeds of new debt in an aggregate amount of Ps. 657 million, mainly from a syndicated loan and vendor financing.

Net cash used in financing activities amounted to Ps. 727 million for the year ended December 31, 2013, mainly due to the Ps. 289 million principal repayment of Series I-IV Notes and Standard-ITAU series Notes, expenses in connection with financial borrowings and interest payments of Ps. 277.4 million.

Capital Expenditures in Property, Plant and Equipment

The following table sets forth our capital expenditures in property, plant and equipment (net of proceeds from sales) for the periods indicated.

	Three month ended March 31, (unaudited)		**Year ended December 31,**		
	2016	**2015**	**2015**	**2014**	**2013**
			(in millions of Pesos)		
Capital Expenditures.....	1,622	611	4,173	2,371	1,776

Beginning in 2015, we increased significantly the amount of our capital expenditures in order to improve the quality and increase the coverage of our cable and data transmission networks. This requires investments in new infrastructure, and modernizing and upgrading our networks and IT backbones.

Capital expenditures in property, plant and equipment during the first quarter of 2016 resulted in improvements in the quality of our networks and increased capacity and coverage, which attracted additional customers. In the first quarter of 2016, we invested Ps. 1,622 million in capital expenditures in property, plant and equipment, which represented an amount equal to 22.9% of our total revenues, a 165.5% increase compared to the same period of 2015.

Indebtedness

The following table sets forth the maturity composition of our short- and long-term debt as of March 31, 2016.

	Payments Due by December 31 of Each Year (in millions of dollars)					
	Total	**2016**	**2017**	**2018**	**2019**	**2020 and beyond**
Short-term	46.8	46.8	—	—	—	—
Banks	22.4	22.4	—	—	—	—
Vendor Financing	24.3	24.3	—	—	—	—
Long-term	432.4	124.3	204.3	102.9	0.9	—
Multicanal 10-year notes	80.3	80.3	—	—	—	—
Vendor Financing	53.4	—	34.4	18.0	0.9	—
Series I-IV Notes	12.4	3.1	6.2	3.1	—	—
Series V Notes	286.4	40.9	163.6	81.8	—	—
Total debt	479.2	171.1	204.3	102.9	0.9	—

(1) Peso amounts have been converted into U.S. Dollars at a rate of Ps. 14.70 per U.S.$1.00, which was the exchange rate for U.S. Dollars quoted by *Banco Nación* on March 31, 2015.

Approximately 95.3% of our financial obligations are denominated in U.S. Dollars and almost 6% accrue interest at a floating rate. As of March 31, 2016, our consolidated bank and financial indebtedness consisted of:

- U.S.$286.4 million in 9.375% series V debt securities, payable in four installments semiannually on February 11 and August 11 of each year, commencing on August 11, 2016, with a final maturity date of February 11, 2018 ("Series V Notes"). The Series V Notes accrue interest at a 9.375% fixed rate per annum, payable semiannually on February 11 and August 11 of each year, beginning on August 11, 2016;

- U.S.$12.4 million in the aggregate under series I, II, III and IV debt securities (the "Series I-IV Securities"): (i) U.S.$2.7 million in series I debt securities, (ii) U.S.$2.2 million in series II debt securities, (iii) U.S.$6.9 million in series III debt securities, and (iv) U.S.$0.5 million in series IV debt securities; maturing on February 11, 2018, accruing interest at 8.75%, 9.375%, 9.625% and 9.375% per annum, respectively, and principal payable in nine equal semiannual installments beginning on February 11, 2014;

- U.S.$80.3 million in 10-year step-up debt securities maturing on July 20, 2016 (the "10-year Securities"), accruing interest at a 4.5% rate per annum, payable semiannually on July 20 and December 20 of each year, and, being the 100% of the principal payable on the maturity date;

- Ps. 280 million under a syndicated term loan (the "Syndicated Loan") advanced by Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC"), Banco Itaú Argentina S.A. ("Itaú Argentina"), Banco de la Ciudad de Buenos Aires ("Banco Ciudad"), Banco Santander Río S.A.

("Santander") and Banco Macro S.A. ("Macro"), maturing on August 2, 2016, accruing interest at adjusted BADLAR ("*Corregida*") plus 4.85% per annum. We entered into this loan on January 30, 2015, for a total of Ps. 700 million, of which Ps.150 million were applied to refinance amounts owed to ICBC, Itaú Argentina and Banco Ciudad under a syndicated loan agreement executed on January 31, 2014 and the balance for capital expenditures; and

- U.S.$77.7 million resulting from loans from suppliers for the financing of capital expenditures, accruing interest at an average rate of 7.5% per annum, payable in 36 months, with an average life of two years.

- Ps. 50 million under a loan agreement with Nuevo Banco de Santa Fe S.A. accruing interest at a 34.3% rate per annum, maturing in July 2016.

We are subject to a number of restrictive covenants after giving effect to the indebtedness, including the following:

- limitations on our ability to incur new indebtedness above certain approved ratios;

- limitations on restricted payments;

- limitations on our ability to enter into transactions with shareholders and affiliates other than on an arm's length basis.

- limitations on liens and the issuance of guarantees by our subsidiaries;

- limitations on our ability to sell or pledge assets under certain conditions or make investments in third parties;

- limitations on our ability to consolidate, merge with other entities;

- limitations on our ability to make capital expenditures exceeding certain amounts; and

- limitations on the issuance and sale of shares of significant subsidiaries.

We are currently in compliance with all of our financial debt covenants.

Derivatives and Hedging

We are exposed through our operations to the following financial risks:

(i) Capital risk;

(ii) Foreign exchange risk;

(iii) Interest rate risk;

(iv) Valuation risk;

(v) Credit risk; and

(vi) Liquidity risk.

Approximately 95.3% of our financial obligations are denominated in U.S. Dollars, as of March 31, 2016, while the majority of our revenues are payable in Pesos. As a result, we are exposed to fluctuations in the exchange

rate and, thus, we use financial instruments, such as forward foreign exchange purchases, to hedge our currency risk for a portion of the interest payments due on our U.S. Dollar-denominated debt. These types of contracts are limited in volume and tenor in Argentina and generally contemplate short periods not exceeding one year, therefore we have only hedged a portion of our existing debt denominated in U.S. Dollars.

For further discussion of our financial risks, see Note 36 to our Financial Statements.

Off-balance Sheet Arrangements

As of December 31, 2015, we did not have any off-balance sheet arrangements.

THE COMPANY

Overview

We are an Argentine *sociedad anónima* (corporation) organized and operating under the laws of Argentina. We are engaged in the installation, operation and development of cable television and data cable transmission services. We are the largest multi-system operator ("MSO") in Argentina and Latin America in terms of subscribers. An MSO is a company that owns multiple cable systems in different locations under the control and management of a single, common organization.

Our Company

We are the largest operator of cable television services and data cable transmission systems in Argentina and one of the largest providers of cable services in Latin America in terms of subscribers according to trade publications *Dataxis* and *IDC*. As of March 31, 2016, we had 3.87 million "*clientes únicos*" or active customer relationships, of which 53% received broadband services, 91% received cable services and 43% received both services. As of March 31, 2016, we also had 0.9 million mobile post-paid customers. Our customer base grew by 6.3% during the last three years, while ARPU (in Pesos) increased by 99% (17.9% in US Dollars) during the same period. We operate under the brands Cablevisión, Fibertel and FiberCorp.

We believe our cable networks are the most technologically advanced in Argentina and Uruguay. As of March 31, 2016, our networks passed through approximately 7.8 million homes (homes are considered passed through if we can connect them to our distribution system without further extending the transmission lines). In the City of Buenos Aires, its suburban areas and the city of La Plata (the "AMBA Region"), we can deliver a two-way bandwidth capacity of more than 750 MHz to approximately 75% of the homes passed through by our networks, reaching approximately 5.8 million homes. Through these networks, we offer not only cable services and broadband services but also additional revenue-generating services and products, such as premium services and pay-per-view, as well as high-speed data transmission and Internet access using two-way high-speed cable modems. According to the trade publications *Dataxis and Kagan* and our internal estimates, as of December 31, 2015, we served more than 39% of the Argentine pay television market and more than 29% of the Argentine Internet broadband market, in each case in terms of the number of subscribers.

In 2015, our revenues totaled to Ps. 20,125 million, our adjusted EBITDA amounted to Ps. 7,295 million and our total assets were Ps. 19,509 million. For the three months ended March 31, 2016, we had revenues, Adjusted EBITDA and total assets of Ps. 7,068 million, Ps. 2,778 million and Ps. 22,904 million, respectively. Total ARPU amounted to Ps. 420.0 and Ps. 518.0 as of December 31, 2015 and March 31, 2016, respectively.

Grupo Clarín and Fintech Media LLC, hold 34.4% and 14.3% of our voting stock, respectively. Additionally, Grupo Clarín and Fintech each owns a 50% interest in VLG Argentina LLC, which, in turn, holds 51.3% of our voting stock. For more information, see "Principal Shareholders and Related Party Transactions."

We operate in some of the most populated regions of Argentina and Uruguay, including; the City of Buenos Aires and the provinces of Buenos Aires, Santa Fe, Entre Ríos, Córdoba, Corrientes, Formosa, Misiones, Salta, Chaco, Neuquén and Río Negro, among others. See "The Company—Our Networks and Operating Regions."

Acquisition of Nextel

On September 11, 2015, we acquired 49% of the outstanding capital stock of Nextel. On January 27, 2016, we, together with our subsidiary, Television Dirigida S.A. ("Television Dirigida"), completed the acquisition of the remaining 51% outstanding capital stock of Nextel. The agreed price for the acquisition of the 100% stake in Nextel was U.S.$177.7 million.

On March 3, 2016, the Enacom approved our acquisition of a 100% stake in Nextel. As of the date of this offering memorandum, we directly and indirectly own 100% of Nextel's outstanding capital stock, subject to antitrust approval by the *Comisión Nacional de la Defensa de la Competencia* ("CNDC") which remains pending.

We acquired Nextel to further our strategy of entering into the Argentine mobile market and expanding our mobile services. By combining our fiber optic network with Nextel's network, we can offer our customers fourth generation (4G) access, among other innovative mobile services.

As of March 31, 2016, Nextel had 0.9 million post-paid clients, 0.52 million prepaid clients and approximately 1,000 transmission towers, of which around 300 are co-located with third-party mobile operators.

History

We were incorporated on April 5, 1979, for a term of 99 years and our by-laws were registered with the *Inspección General de Justicia de la Ciudad Autónoma de Buenos Aires* (the Buenos Aires Superintendency of Corporations) on August 29, 1979 under No. 2,719, Book 93, Volume "A" of corporations.

Our registered domicile is located at General Hornos 690, Buenos Aires, Argentina, our telephone number is +54 (11) 5530-4589, our email address is ceac@cablevision.com.ar and our web page is www.cablevision.com.ar. Our C.U.I.T. is 30-57365208-4.

For more information about the history of our company please see "Regulatory Framework and Description of the Argentine Cable and Broadband Industries—History and Development of the Argentine Cable and Broadband Market".

Competitive Strengths

We believe the following strengths will allow us to execute our business strategy described below:

- ***We benefit from our leading market positions.*** According to the trade publications Dataxis and IDC and our own estimates, we are the largest provider of cable television services in Argentina in terms of subscribers and account for approximately 28.0% of the Argentine Internet broadband segment of the expanding media and telecommunications market. According to Dataxis and IDC, in Argentina the cable television services had a penetration rate of approximately 79.1%, while broadband services had a penetration rate of 61.4%, in each case as of December 31, 2015.

    - Our leading position as the largest operator of cable and data cable transmission systems in Argentina and our solid cable customer base provides us with a competitive advantage over other providers. In addition, we believe that our upgraded network provides us with a superior technological infrastructure for delivering triple-play services as a high-value offer to our customer base and, thus, continue to increase our broadband penetration through the offer of complementary services to our existing cable customers.

    - We believe that our competitive pricing and the quality of our broadband service, as well as the superior speed of our offerings, including through the cable modem technology offered by our Fibertel trademark, provide customers a superior value offer and differentiate us from our competitors.

    - Our cable television customer base represents a unique asset to which we can up- and cross-sell additional digital and broadband products and services. Our single and combined offering of digital television and broadband internet services, together with our established Fibertel brand, the current general trend towards digitalization and our increased broadband penetration, offers us with the opportunity to sell additional services, including broadband, to our existing cable customer base. We believe that we have been successful in promoting the complementary nature of our cable television and broadband services, thereby improving the marketability of our combined offer packages to existing and potential customers.

- ***Extensive network and infrastructure provides us with a superior platform.*** We believe that the size and reach of our cable network positions us well in the media and telecommunications markets. We believe that our cable networks are among the most technologically advanced in Argentina and Uruguay based on our infrastructure investments of $2.5 billion over the past nine years. Through our networks we offer not only cable and internet access, but also additional revenue-generating services and products, such as premium services and pay-per-view. In addition, our fiber optic systems have the advantage of greater capacity and reliability, resistance to electrical interference and cost reductions. These systems are capable of being quickly adapted to future technological developments, which strongly positions us to meet our customers' evolving needs and demand for technological advancements.

- ***We have strong brand positioning and offer high-quality services.*** We believe Cablevisión is widely recognized by its customers for network reliability and high-quality customer care. This high level of brand recognition enables us to up-sell and cross-sell our innovative products and services, each of which requires the existence of a high level of trust from customers. Fibertel is also acknowledged by its customers for internet access reliability and high-quality service tailored to customers' growing needs, thereby, attracting a loyal clientele. Our Fibercorp brand is gaining increased recognition in the corporate business sector.

- ***Our financial management is strong and conservative.*** We have a proven track record of profitable growth and high operating cash flows while maintaining a low leverage. Our debt to adjusted EBITDA as of December 31, 2015 was 0.62x, and our adjusted EBITDA margin in 2015 was 36.2% as compared to 33.0% in 2014. As a result, we believe we will be able to meet on-going and future additional capital expenditures needed to face increased competition and a changing regulatory environment in the telecommunications and mobile services industries.

- ***Experienced management and committed shareholders.*** We have a highly experienced management team with deep industry knowledge. Each member of our senior management team has at least 10 years of relevant experience in the field. Our top management is supported by a broad base of experienced second-level managers. In addition, our shareholders have a proven track record of committing to management's business and growth strategy plans.

- ***Quadruple Play.*** We are one of the few participants in the Argentine market in a position to offer quadruple play. Moreover, we believe that our strong position both as provider of cable television services as well as broadband will allow us to remain competitive against other market participants that may provide quadruple play services in the future.

Our Business Strategy

Our long-term business strategy focuses on the continued upgrading of our networks to improve the quality of the service provided to our customers and increase our broadband business penetration, where we see the most potential for future growth and as a result, increasing our revenues and our operating cash flow. The central elements of our long-term strategy include:

- ***Increase our Internet bandwidth penetration and expand our Internet bandwidth services.***

    - We will seek to expand our broadband internet subscriber base by emphasizing our bandwidth capabilities and compelling value offer. We intend to continue to provide and offer bandwidth connectivity to our existing cable television subscribers and to new customers, offering higher speeds and more value at competitive prices. We intend to increase the share of new broadband internet customers and add subscribers from our competitors by launching new products and services with faster speed options tailored to customers' evolving needs, such as the increasing demand for higher speed bandwidth at customers' homes.

    - We will seek to preserve and enhance customer loyalty of our subscriber base by continuing to offer a high-quality bandwidth service with the best selection of speeds in the market at

competitive prices through our Fibertel brand. We plan to continue upgrading our two-way coverage and, in addition, we have recently incorporated technology that allows for the addition of high-bandwidth data transfer to an existing cable television (CATV) system (known as Data Over Cable Service Interface Specification or Docsis 3.0) and are currently in the process of upgrading our network to 1Ghz.

- ***Increase our cable television penetration by offering digital TV and other premium digital cable services.*** We seek to grow our cable television subscriber base by providing innovative premium digital services. We plan to continue up-selling premium digital cable services to our existing customer base and to provide innovative multimedia and entertainment service packages to existing and new customers in new areas. We have enhanced our TV product by introducing additional HD channels and premium subscription channels that we offer in packages. We seek to make the greatest amount of content available to customers through the most diverse range of devices, enabling customers to access TV programming from any device at any time. By introducing an innovative "Over-The-Top" online platform, known as "Cablevisión Play," we will seek to increase customer satisfaction and loyalty. This online platform service complements our video-on-demand (VOD) legacy service through time shift TV services, integral searcher, personalized recommendation engine and cloud DVR, and provides our customers access to a broad library of content such as movies, shows and live sport events (including the following platforms: ESPN Play, Space Go, FOX Play, FOX Play+, Fox Sports Play, TNT GO, HOT GO, HBO GO, Cartoon Network GO, and TyC Sports Play).

- ***Pursue additional growth from our mobile services and by expanding our Wi-Fi network***.

    - We intend to continue to facilitate internet connectivity "any time and anywhere" for our customers. In 2012, we launched "Fibertel Zone," the first Wi-Fi circuit in Argentina, through our fixed fiber optic networks. Users can access a Wi-Fi network free of cost at the best speeds available in bars, restaurants, movie theaters, gyms and parks, among other public spaces. Our network reached approximately 1,500 outside wireless access points in high-usage areas during 2015. We will continue to offer this service to both Fibertel's customers and non-customers, granting our customers certain additional benefits, such as faster speeds, priority in surfing and connection without time limit. We plan to make additional capital investments to increase the number of our Fibertel Zone wireless access points and offer customers and non-customers broader access to Wi-Fi Internet connection.

    - We intend to leverage Nextel, which is the fourth largest cellular operator in Argentina in terms of subscribers, according to *Pyramid*, to expand our mobile telephone services. We plan to combine our fiber optic network with Nextel's network to offer customers fourth generation (4G) access, among other innovative mobile services.

- ***Expand our corporate businesses and branding.*** We will seek to continue developing our corporate businesses through our brand "*FiberCorp,"* seizing the operational advantages of economies of scale created by the capabilities of our fiber optic network, providing connectivity, cloud storage, virtualization sharing, housing and hosting to the corporate sector.

- ***Maintain focus on operational excellence and emphasize customer service***. We believe that customer satisfaction is key to the development and growth of our brand. We continuously monitor our customers' perception of the quality of our services. We closely monitor key performance indicators to assess our operational processes, sales and marketing efficiency and the reliability of our infrastructure. To enhance customer loyalty, we maintain training and development programs for our sales force and call center agents.

- ***Targeted focus on individual customers.*** We recognize that the various individual members of any household have a unique set of needs and preferences. As a result, we will continue to provide a tailored and targeted offering to our customers in their individual capacities, rather than focusing on household

units in a generalized manner. Since single households may have multiple screens, we will seek to tailor our programming and services to meet the demands of each individual customer.

- ***Maintaining and increasing our focus on innovation***. We believe that our cable networks are the most technologically advanced in Argentina and Uruguay. Our fiber optic systems have the advantage of greater capacity and reliability, resistance to electrical interference and cost reductions. These systems can be readily adjusted to accommodate technological developments. We will continue to make investments in our systems and infrastructure, and commit resources to maintain our business on the cutting edge of technological advances and innovation.

Our Networks and Operating Regions

Our principal activity is the operation of cable networks in the AMBA Region. Moreover, we operate in other cities within the provinces of Buenos Aires, Santa Fe, Entre Ríos, Córdoba, Corrientes, Formosa, Misiones, Salta, Chaco, Neuquén and Río Negro. As of March 31, 2016, we served approximately 3.5 million cable television customers and 2.04 million broadband customers and were organized into four operational regions: the AMBA Region, the Province of Buenos Aires Region, the Central Region and the Litoral Region. As of March 31, 2016, our network passed through 7.8 million homes and extended to over approximately 50,000 kilometers, of which 9,417 kilometers included our interurban fiber optic network.

The following table shows data in respect of our active customer relationships data as of March 31, 2016 and is based on information published by third parties and our internally generated market information:

	Total	AMBA	Province of Buenos Aires	Center	Litoral
Active Customer Relationships[(1)]	3,871	2,067	591	532	543
Cable Customers[(2)]	91%	88%	95%	91%	94%
Broadband Customers[(2)]	53%	63%	42%	49%	43%

[(1)] Figures in millions.
[(2)] Customers as a percentage of total active customer relationships.

As of March 31, 2016, our cable network passed through approximately 7.8 million homes, of which more than 75% were passed through our bidirectional bandwidth that has a capacity of 750 MHz or higher. In the AMBA Region, we can deliver a two-way network with a bandwidth capacity of more than 750 MHz to approximately 75% of the homes passed through our cable network. Through these networks, we offer additional revenue-generating services and products, such as premium services and pay-per-view, as well as high-speed data transmission and Internet access using two-way high-speed cable modems.

The AMBA Region includes cable systems deployed in the City of Buenos Aires and its surrounding metropolitan area. It is the region with the highest purchasing power in Argentina and is also the most densely populated. There are approximately 12.8 million inhabitants in this region, representing approximately 32% of the total population of Argentina.

Our Province of Buenos Aires Region consists of three sub-regions: Lincoln, Bahía Blanca and Mar del Plata, including 100 municipalities.

Our Central Region includes cable systems located in the provinces of Córdoba, La Pampa and Salta, including the cities of Córdoba, Río Cuarto, Villa Maria, Santa Rosa, Salta and San Francisco.

Our Litoral Region includes cable systems located in the Northeast region of Argentina, including the cities of Rosario and Santa Fe, in the province of Santa Fe; Paraná, in the province of Entre Ríos; Posadas, in the province of Misiones; Resistencia, in the province of Chaco, the city of Corrientes and other cities in the Province of Corrientes and the city of Formosa in the Province of Formosa.

Network Architecture

Our network's trunk or backbone portion in the AMBA Region consists entirely of fiber optic cable. We built a fiber optic cable ring around the City of Buenos Aires that provides network redundancy (which is a method for ensuring network availability in the event of a network device or path failure resulting in unavailability) and improves network reliability. We have deployed a similar fiber optic network architecture in Córdoba and Salta, in the Central Region, and in the cities of Santa Fe, Paraná and Rosario in the Litoral Region.

Cable television and data signals are transmitted from the main headend—the control center of the cable system, where incoming signals are amplified, converted, processed and combined for transmission to the customer—to the hubs that provide services to specific areas. Each hub concentrates and transmits the cable television and data signals it receives via fiber optic cable to optical nodes. At each node the signals are converted from optic to electric codes and are then re-transmitted via coaxial cable to a distribution node. From there, the signal is transmitted to the subscriber's domicile along a coaxial or "drop" cable.

Our cable networks outside of the areas described above are constructed with coaxial cable architecture. We intend to continue extending the fiber optic cable and other technological improvements that currently exist in the AMBA Region and the main cities of the other three regions, such as hybrid fiber coaxil technology, to other operational cities within such regions as part of our long-term plan to expand and improve our network capacity.

Main Products

We offer to our cable and broadband customers a diverse range of products. Our most popular products include:

- *Cablevisión Clásico*: Our basic, analog cable television product;
- *Cablevisión Digital*: We provide this product through a digital decoder. In addition to the basic grid included in *Cablevisión Clasico*, this option, which we provide through a digital decoder, enables our cable subscribers to access radio and music channels, among others, and the ability to access certain premium channels;
- *Cablevisión HD:* In addition to the options offered through *Cablevisión Digital,* subscribers to this product are provided a high definition decoder that enables them to access over 50 high definition channels;
- *Cablevisión On Demand:* Where available, this product allows cable subscribers to access our "On Demand" service that includes a variety of content including: (i) SVOD (where the subscriber is charged a monthly fee in order to access unlimited programs), (ii) TVOD (where the subscriber is charged a fee based on the content it watches) and (iii) FVOD (free on demand services to the subscriber which generally include basic cable signals);
- *Cablevisión Play:* Our "everywhere" cable online platform that enables our cable subscribers to access "Over-The-Top" services;
- *Broadband Products:* Our broadband products are well-known in the market because of their high speed, which enables broadband subscribers to rapidly download and update data;
- *Fibertel Zone*: Our Wi-Fi system that allows users to access a Wi-Fi network free of cost and at the best speeds available outside their homes.

Programming and Other Cable Television Services

We invest significant resources to offer a wide variety of programming options in order to appeal to potential new subscribers and meet their needs. Our revenues derive primarily from monthly subscription fees for

basic cable service and high-speed Internet access. To a lesser extent, we also derive revenues from connection fees and advertising and from fees for premium and pay-per-view programming services, digital packages, DVR, HD packages, video-on-demand services (VOD) and magazine distribution.

We purchase basic and premium programming from more than 52 signal providers, including, among others, ESPN SUR S.A., Imagen Digital S.A., HBO Latin America Group ("HBO"), Fox Latin America Channel S.R.L., LAPTV, Tele Red Imagen Sociedad Anónima ("TRISA"), Pramer, Discovery Latin America ("Discovery"), as well as all broadcast television channels of Buenos Aires. Our majority shareholder, Grupo Clarín, owns a stake in Arte Radiotelevisivo Argentino S.A. ("ARTEAR") and an interest in TRISA, all of which are programming suppliers in Argentina. The programming arrangements have an average duration of 24 to 36 months, and are primarily denominated in Pesos. The cable television fees paid under these agreements are linked to the growth of our subscriber base and the fees we charge to our customers.

Premium Services

Our clients have the option to acquire premium additional packages not included in the basic package by paying an additional fee. These packages and services include additional channels than those included in the basic package, provide exclusive content, and divide such content by movie genres, adult programs and sports, or a combinations of these categories. The monthly fees charged for premium services vary depending on the package subscribed to by the client and the geographic and operational region in which we offer such service. Premium clients receive a free digital box that enables them to access to this service and gives them the option to choose pay-per-view programs. The premium packages include the following channels, among others: Fox Movies, HBO2, HBO Signature, Playboy TV, Venus and Turf (which broadcasts horse races that take place at the racetracks in San Isidro, La Plata and Palermo).

Basic Digital Service

We offer the digital service in the AMBA Region and in the most important cities of Argentina in terms of size and wealth (such as Córdoba, Rosario, Santa Fe, among others). This service gives the client the option to increase the number of channels offered and includes an onscreen programming guide.

With the launched digital technology, we offer a package called the "Basic Digital Pack." Through this package, our customers receive the following channels, among others: Al Jazeera, Allegro, America Sports, Antena 3, Arirang, Baby TV, BBC, Bloomberg, CNN International, Deutsche Welle, Discovery Civilization, Discovery Science, Discovery Turbo, DX TV, ESPN 3, ESPN Extra, Eurochannel, Euronews, Fox News, Fox Sports 2, Fox Sports 3, France 24, Glitz, History 2, HTV, Maschic, MTV Hits, Much Music, Mundo Fox, Natgeo Wild, NBA TV, Nick Jrs, Paramount, Solo Tango, Sun Channel, SyFy, The Golf Channel, Tooncast, TV Chile, TV Galicia, TV 5, VH1, VH1 Megahits, WOBI TV. They also receive more than 50 additional audio channels, which give the our customers access to radio signals such as Radio Mitre, Radio Rivadavia, Radio Disney, FM 100, as well as to opera, rock, tango and salsa music, among other options.

HD Services

In order to continue providing our clients with the best programming, we offer high definition versions of the Cablevisión Basic HD and its Premium HD Packages, such as Cablevisión Max HD, in locations that have the required technology to broadcast this format. This programming package includes a large variety of genres such as sports, movies, series, documentaries and music, with high resolution and better image quality. Moreover, this offer also includes open air channels under an HD format such as Canal 9, El Trece, Telefé and TV Pública, together with other channels such as Fox Sports, Cinecanal, MTV, Disney, BBC, Discovery, Sony and Space.

During 2015, through our HD platform, we broadcasted events using 3D technology for subscribers of the Premium HD service program that had the necessary equipment for this type of technology. In addition, since 2012, we have offered our HD clients a new VOD service that enables them to purchase programs or packages offered through an onscreen programming guide, with access to certain free services. The VOD programming services

enables us to offer to our customers interactive audiovisual content without time constraints. Such VOD programming includes channels such as Wobi TV, HBO, Discovery and ARTEAR.

Internet Access, Corporate Products and Interactive Services

We have offered high-speed cable modem access to the Internet through our networks under the Fibertel brand since September 1997. Our Internet connectivity products are specially tailored for the needs of each residential or corporate user, and includes specific solutions such as virtual private network services, traditional Internet protocol ("IP") links and corporate products that offer additional services. Since 1997, we have consistently upgraded our networks in order to increase the speed of our products. As of the date of this offering memorandum, our customers have an average access to networks of between 6 and 12 megabytes.

In 2010, with the purpose of enhancing the development and innovation of corporate products, we created FiberCorp, which is a corporate business unit within Fibertel that provides telecommunication solutions to large, medium and small-size companies. FiberCorp has a wide communications network for the transportation of data, sound and video, which enables it to provide internet access, dynamic connections, symmetric access and IP video vigilance, among other services.

We also provide high-speed Internet services in the AMBA Region, Córdoba, Rosario, Campana, Río Cuarto, Posadas, Salta, Olavarría, Pergamino, Mar del Plata, Bahía Blanca, Santa Fe, among other cities in Argentina.

Additionally, we also provide international IP access through well-known global backbone providers.

Mobile Services

We provide mobile services through our subsidiary Nextel to existing clients by means of our Integrated Digital Enhanced Network which enables us to offer "push to talk" technology to such mobile services clients.

Sales, Marketing and Customer Service

Our marketing strategy consists on focusing on those customers who receive only one of our main services in order to offer them our cable and broadband services packages while at the same time trying to provide innovative services to our existing customers, and to update our existing broadband customers to higher speeds. An increase in the number of customers who receive both of our cable and broadband services together with an increase in the numbers of services provided to our existing customers, will result in an increase in our ARPU.

Advertising and Marketing

We use various market placement mechanisms, including promotions, customer service centers, communication of company news, developments and institutional and programming information through its web sites. We advertise in graphic media and in its own broadcast advertising spaces. In addition, we publish a monthly magazine called "*Miradas*," which is sold to a portion of our subscriber base.

Our marketing activities include:

- advertising in television, radio, newspapers, billboards on the streets and local programming channels offered to clients;
- personal visits to current and potential clients;
- telemarketing directed to potential and former clients, as well as current clients who have not subscribed to any premium services;
- mailing information and special promotional material to current and potential clients; and

- special events for our clients, some of which are sponsored jointly with programming providers.

Competitors that have deployed networks in some of the areas in which we operate offer promotions from time to time, including free installation and discounted prices for basic or premium services. In response, we launch special promotions based on market circumstances.

Customer Service

Our customer service is provided through a unified center that is available 24 hours a day and 365 days a year. Our clients can contact the ("Contact Center") by phone, e-mail and chat through our website, as well as through social media such as Twitter and Facebook. Accessibility through social media is particularly important in Latin-American countries and especially in Argentina and Chile, which lead in social media rankings based not only on the number of users, but also on the way in which social media has penetrated their respective populations.

In April 2013, we received the Customer Operations Performance Center, or COPC, certificate, which promotes improvements in the way in which customers' requests are handled and responded, and is awarded based on the quality of customer service practices as well as customer satisfaction. One of the main achievements obtained by the Contact Center during 2015 was the recertification of the COPC. This accomplishment portrays the excellence achieved by our customer service as a result of the combined effort of all sectors of the "Contact Center." The quality certification was also extended to the procedures used in connection with the new social network channel as well as with corporate clients.

Our customer satisfaction indexes have been maintained above our goal of 85%, based on top two box methods, confirming the excellence of the services provided. We believe our attention to customer service differentiates us from our competitors and is rewarded with customer loyalty.

Billing and Subscriber Management

Our standard billing practice is to distribute invoices to our subscribers together with the monthly programming guide. Accordingly, almost all subscribers are invoiced in advance for their monthly cable television service. In addition, we invoice most of our high-speed cable modem Internet access subscribers in advance.

A majority of Argentine cable television and broadband subscribers pay their monthly invoices by automatic credit card or bank account debits. Subscribers may also pay their invoices in person, personally at local banks or through external collection agents. We pay a commission to collection agents.

We seek to enforce a strict disconnection policy, which provides for the disconnection of cable television services after a three-month period of non-payment and delivery of a notice of disconnection. With respect to broadband services, we disconnect our services after a two-month period of non-payment and delivery of a corresponding notice of disconnection.

Management of Churn

Churn refers to the termination of a customer's account. The churn rate is determined by calculating the total number of disconnected customers over a given period as a percentage of the initial number of relevant customers for the same period.

Our cable customer churn rate for the three months ended March 31, 2016, was 15.3%, compared to 13.9% during the same period in 2015, and was 12.6% for the year ended December 31, 2015, compared to 13.6% in 2014 and 12.7% in 2013.

Our broadband customer churn rate for the three months ended March 31, 2016, was 17.7%, compared to 16.8% during the same period in 2015. Our broadband customer churn rate was 15.6% for the year ended December 31, 2015, compared to 16.3% in 2014 and 15.2% in 2013.

To reduce losses associated with churn, we seek to enforce a strict disconnection policy. See "Billing and Subscriber Management" above.

International Operations

Uruguay

Through Telemás S.A. ("Telemás"), we provide programming and management services to ultra-high frequency ("UHF") systems and to seven cable operators in Uruguay for a fee relating to programming and management services. As of December 31, 2015, we offered services to approximately 137,300 subscribers in Uruguay. In the cities of Montevideo and Canelones, Telemás offers an important variety of channels with a digital system and competes with other cable systems that offer similar products.

Competition

In the cable television transmission segment, we face competition from other cable television operators and providers of other television services, including direct broadcasting, satellite and wireless transmission services. As a result of the non-exclusive nature of our licenses, our cable systems frequently have been overbuilt by one or more competing cable networks; in addition to the satellite television service that is also available. Free broadcasting services are currently available in Argentina. In the AMBA Region, these services primarily include four private-owned channels (one of which is controlled by our shareholder Grupo Clarín) and their local affiliates, and one state-owned national public television network. In addition, the Argentine government has distributed digital boxes to certain sectors of the population that provide free access to certain channels in connection with the Argentine Terrestrial Digital Television System.

While the Argentine paid television industry is highly fragmented and comprises over 700 operators, our largest competitors are Telecentro S.A., which is focused in the AMBA Region, and Directv Argentina S.A. ("DirecTV") (satellite television), with presence throughout the entire country. We also consider Over-The-Top internet video system providers such as Netflix, Arnet play and On Video as competitors.

Among paid television systems, competition is based primarily on:

- price;
- programming services offered;
- customer satisfaction; and
- quality of the system.

We believe we are in a position to effectively compete against other providers of pay television services based on our competitive pricing, the large number and quality of channels offered, our wide variety of additional services and, in particular, our focus on customer service through the "Contact Center."

The Argentine high-speed Internet access industry is characterized by the presence of two large competitors (Arnet and Speedy), each of which is associated with one of the two telephone companies that provide fixed telephony services in the country. These companies also provide 4G services through their respective brands, Personal and Movistar. Claro also provides 4G services and began offering high-speed internet services through optic fibers in certain regions of the country in 2011.

We therefore face substantial competition in the Argentine cable television and data cable transmission industry, which continues to grow. See "Risk Factors—Risks Relating to Our Industry—We face substantial and increasing competition in the Argentine cable television and data cable transmission industry."

Labor

The following table sets forth a breakdown of our employees by main category of activity as of the periods indicated.

	As of December 31,			As of March 31,
	2013	**2014**	**2015**	**2016**
Employees by Activity				
Operational	65%	66%	66%	67%
Centralized services	15%	15%	14%	14%
Commercial	10%	10%	10%	10%
Administrative	10%	10%	10%	10%

As of December 31, 2015, approximately 75.9% of our employees were unionized. We believe that our relationship with these unions remains stable as of the date of this offering memorandum, however, any tensions with the unions in the future may result in strikes or litigation.

	As of December 31,			As of March 31,
	2013	**2014**	**2015**	**2016**
Unionized	77.2%	77.3%	75.9%	75.5%
Non-Unionized	22.8%	22.7%	24.2%	24.5%
Total	9,685	10,097	10,200	10,215

Legal and Administrative Proceedings

In the ordinary course of business, we are named in a number of legal and administrative proceedings. We evaluate the merit of each claim and assess the likely outcome. As of December 31, 2015, and March 31, 2016, the total amount of loss contingencies related to legal procedures recorded in accordance with IFRS was Ps. 271.4 million and Ps. 577.4 million, respectively. For more information see Note 29 to our Financial Statements.

Real Property

As of the date of this offering memorandum, we own 242 real estate properties, including our corporate headquarters located in Barracas, in the City of Buenos Aires, and our operations center in Munro, in the Province of Buenos Aires.

REGULATORY FRAMEWORK AND DESCRIPTION OF THE ARGENTINE CABLE AND BROADBAND INDUSTRIES

General

As of December 31, 2015, it was estimated that Argentina had a total population of approximately 40.3 million, with an estimated 11.5 million households. Argentina is the largest and most developed cable television and data cable transmission market in Latin America. As of December 31, 2015, it had penetration of paid television services of around 79%, while broadband internet penetration reached 61.4%. Cable systems serve nearly 69.8% of Argentine pay television subscribers, while approximately 30.2% of Argentine pay subscribers are served by MMDS, multi-channel multi-point distribution systems, and DTH, direct-to-home satellite.

Cable Systems

A cable system can be defined as a broadband network employing radio frequency transmission that utilizes coaxial and/or fiber optic cables as a means to transmit multiple channels carrying image, sound and data information between a central facility and individual subscribers. A cable system consists of three major parts:

- A headend, which is a collection of hardware that typically includes one or more satellite dishes, satellite receivers, modulators, amplifiers and videocassette playback machines. The headend amplifies, processes and feeds the signals that are sent via the distribution network.

- A distribution network, which consists of fiber optic trunk lines, coaxial network cables, network amplifiers and passive wires related to subscribers. These carry the signals from the headend towards the areas where subscribers and potential subscribers are located. Lastly, there is the "domestic installation," where the rush cable connects the network signal deriver with the subscriber's television receiver or cable modem.

- The home terminal, which allows an individual subscriber to receive the cable signal (whether television or cable modem).

The evolution of fiber optic technology in the last few years has increased the use of this technology as part of the trunk network or backbone of cable television networks. Fiber optics have a number of advantages over coaxial cable, including the following:

- greater capacity;

- resistance to electrical interference;

- greater reliability; and

- cost reduction due to the elimination of amplifying equipment.

Fiber optic systems require less maintenance which, in turn, results in lower operational costs. Most fiber optic networks are constructed with a bandwidth capacity of up to 1 GHz. Such networks can generally transmit up to 110 analogical and over 500 digital channels. Additionally, these systems may transmit improved cable television services by means of analogical or digital decoders and provide access to broadband Internet through two-way, high-speed cable modems. Video digital decoders allow subscribers to communicate with a computer at a central headend so that the system may respond directly to each subscriber's programming requirements. The current digital decoder technology allows the cable operator to improve capacity, lower capacity or disconnect the connection of each subscriber. It also allows the operator to offer "pay-per-view" services and video on demand (in the case of digital decoders).

MMDS ("Multipoint Distribution Service")

MMDS, often referred to as wireless cable, is a pay television distribution technology based on a microwave transmission system that operates from a headend, consisting of a satellite receiver or other subsystem used for the reception and retransmission of signals. Programming is then emitted by microwave transmitters from an antenna located on a tower or on top of a building to a small receiving antenna located at a subscriber's premises, where the encoded microwave signals are decoded. Although establishing an MMDS network is less capital intensive than constructing a cable television network, we believe that cable television has competitive advantages over MMDS:

- MMDS transmissions cannot be received in "shadowed" areas where microwave transmission is blocked by terrain, buildings or other physical objects. In some cases, however, signal blockages may be overcome through the use of low-power signal repeaters that retransmit an otherwise blocked signal over a limited area;

- MMDS has limited channel capacity, lower reliability and lower quality of signal; and

- generally, the installation of an MMDS client requires more sophisticated manpower and more expensive equipment than that required for a traditional cable television installation without a decoder.

As of the date of this offering memorandum, there are approximately 6 MMDS operators serving approximately 94,000 subscribers in Argentina.

DTH ("Direct to Home")

DTH systems (also known as Direct Broadcasting Systems) systems use high power satellites to deliver signals to antennae located in homes, hotels and apartment buildings. In comparison to MMDS signals that are locally transmitted, a DTH satellite footprint can cover large land areas. High frequency Ku-Band DTH technology permits the use of a smaller satellite receiver dish of 60 centimeters, offers more channels and better picture quality than C-Band DTH technology. DTH service in Argentina is regulated by the Media Law.

At present, only two companies, Red Intercable Satelital S.A. ("INTV") and DirecTV, provide DTH services in Argentina. DirecTV has increased its subscribers base in Argentina from 636 thousand in 2007 to 2.7 million subscribers as of December 31, 2015.

DTH service may continue to grow in Argentina, especially in rural areas, as no cable networks are available. Although we believe that cable television has advantages over DTH, as cable television does not require its subscriber to bear the upfront cost of purchasing a dish and related hardware necessary for DTH, we cannot assure you that DTH will not increase its market share in Argentina's pay television market.

OTA ("Over-the-Air") and UHF ("Ultra High Frequency")

There are five radio transmission stations in Argentina, all of which are located in Buenos Aires. Due to the limited reach of air frequencies, the radio transmission stations compete with cable television providers mainly in the AMBA Region.

UHF systems broadcast programming across airwaves with codified frequencies to subscribers who have obtained a signal decoder. Due to the limited reach of UHF frequencies available for broadcasting, UHF systems offer very few signals.

History and Development of the Argentine Cable and Broadband Market

Cable television in Argentina originated in the 1960s when community antenna systems were built to retransmit television service, from Buenos Aires to the country's interior. The Argentine government, acting

through COMFER, granted non-exclusive licenses to provide cable service which resulted in the development of a highly fragmented industry with over 1,500 operators. The non-exclusive licensing system has also resulted in overlapping cable service areas, particularly in large markets such as the City of Buenos Aires, the metropolitan Buenos Aires area and the province of Buenos Aires.

Beginning in 1993, in an effort to gain market share in the AMBA Region, the then-existing MSOs began to compete aggressively for subscribers, offering incentives that included lower basic service rates, free activation and nine months of free basic service, leading both to increased subscriptions and high subscriber termination rates as subscribers switched from one operator to another. Around the same time, the Argentine cable industry entered into a consolidation phase, which significantly reduced the number of cable operators. During this period, we and Multicanal made various acquisitions, including the acquisition in 1997 of 100% of the shares of the VCC Group, the second largest MSO at the time.

Since 1998, notwithstanding the fact we have focused our strategy on internal growth, we have also carried out several acquisitions and corporate reorganizations, the most significant of which were our acquisitions of Multicanal and Teledigital in September 2006 and Nextel in January 2016. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Recent Events Affecting Comparability of Our Operating Results—Acquisition of Nextel."

As of December 31, 2015, approximately 7.1 million users subscribed to broadband Internet access services in Argentina. Our Fibertel brand accounts for 29% of the market, measured in terms of number of subscribers. Speedy, of Grupo Telefónica, had a market share of 27%. Arnet, of Grupo Telecom, had a 26% market share. The remaining 18% was scattered among over 26 other broadband providers countrywide.

Our Fibertel brand not only competes directly with other broadband Internet service providers, but also with ADSL technologies. Telefónica de Argentina S.A. and Telecom Argentina S.A. both offer their ADSL services through third-party providers that market their products jointly with Argentina's two telephone companies, thereby increasing their distribution, communications and sales channels. Additionally, though in lower numbers, wireless technologies have captured a portion of the demand for Internet access.

Our Fibertel brand concentrates its subscriber base in the AMBA Region, where approximately 62% of its subscribers are located and where it holds a market share of approximately 44% as of December 31, 2015.

Regulatory Overview

The regulatory framework applicable to the services we provide in Argentina has recently undergone certain changes. The telecommunications services we provide are principally regulated by Law No. 27,078 (the "Digital Argentina Law") and the National Emergency Decree No. 267 and are subject to the supervision and control of Enacom, an autarchic and decentralized entity under the jurisdiction of the Argentine Communications Ministry. Although Law No. 22,285 (the "Broadcasting Law") has been repealed by the Digital Argentina Law and Decree 267, the Broadcasting law is still relevant to the extent that we have been granted licenses that remain valid under such law.

The Broadcasting Law

We are currently the holder of licenses for the provision of subscription cable television services by physical and radio electric link that were originally granted pursuant to the Broadcasting Law. Under the Broadcasting Law, any company that intended to provide cable television services in Argentina was previously required to obtain a non-exclusive license issued by COMFER, the enforcement authority established by the Broadcasting law. Such companies were also required to obtain certain authorizations, including authorization by municipal agencies for some services.

The issuance of a license under the Broadcasting Law enables its owner to provide subscription cable television services within a specific area that may be extended through an extension request.

Moreover, the Broadcasting Law provided for a multiple license regime that did not limit the provision of subscription cable television services in different areas.

Under the Broadcasting Law, licenses were granted for an initial period of 15 years and contemplated the possibility of a one-time extension for an additional period of 10 years, subject to COMFER's approval. We and some of our subsidiaries currently hold licenses granted by COMFER under the Broadcasting Law, some of which have already been extended for an additional 10 years.

On May 24, 2005, Decree No. 527/05 suspended the terms of broadcasting licenses and their extensions for 10 years, which were automatically resumed upon expiration of the suspension term, subject to certain conditions. Companies seeking to benefit from the extension were required to submit proposals for COMFER's approval. We submitted these proposals, which were authorized by COMFER on February 25, 2008, thereby suspending for 10 years the termination date of the licenses originally awarded to us, as well as the terms of the licenses to which we became the universal successor.

The Media Law

The Media Law was enacted on October 10, 2009, and become effective on October 19, 2009.

The Media Law provided for the replacement of former COMFER with the AFSCA, a decentralized and autarchic agency under the jurisdiction of the Executive Branch, and the enforcement authority under the Media Law.

The Media Law provided, among other things:

- a new scheme for granting and reviewing licenses over which the National Executive Branch had broad discretion;

- a 10-year limitation on the terms of the licenses, which contemplated a one-time non-renewable extension;

- authorizations and licenses became non-transferrable;

- new regulatory framework for signals, production companies and advertising agencies, including registration requirements;

- A multiple license scheme that (i) restricted to a maximum of 10 the number of audiovisual communication service licenses, plus a single broadcasting signal for radio, broadcast TV and subscription cable television services that used the radio spectrum; (ii) restricted the licensing of subscription broadcasting services rendered through a physical link (cable), limiting the number of licenses to a maximum of 24; (iii) set forth further restrictions regarding the provision of these services, which could not be provided to more than 35% of all inhabitants or subscribers nationwide; (iv) prohibited the simultaneous exploitation of a broadcast TV signal and a cable television signal in the same area; and (v) established that broadcast TV networks could only own one cable television signal. TV networks could only own the so-called "local channel," which was mandatory for every license; and

- Mandatory quotas for certain types of content.

The Media Law also retroactively required holders of current broadcasting licenses that were acquired rights under the Broadcasting Law to conform to the Media Law within the term of one year.

Grupo Clarín and its main subsidiaries, including us, initiated legal proceedings that resulted in the suspension of Section 161 of the Media Law with respect to Grupo Clarín, us and other subsidiaries, until a final decision was rendered with regards to the constitutionality of such disputed sections. On October 29, 2013, the Supreme Court of Argentina dismissed the claim, thus confirming the constitutionality of the challenged sections.

Digital Argentina Law

In December 2014, the Argentine Congress passed the Digital Argentina Law, partially repealing Law No. 19,798 (the National Telecommunications Law). The Digital Argentina Law conditions 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 Digital Argentina Law establishes a single country-wide license scheme and the individual registration of the services to be rendered, renaming former telecommunication services as Information and Communications Technology Services ("TIC Services"). The Digital Argentina Law does not, however, alter, the scope of the licenses originally granted to us and our subsidiaries.

The Digital Argentina Law contemplates a license called "*Licencia Única Argentina Digital,*" which allows licensees to render any telecommunication services to the public, whether fixed or mobile, wired or wireless, national or international. We and our subsidiaries are authorized by Secom to render the following services: 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.

Pursuant to the Digital Argentina Law, a new enforcement authority was created under the jurisdiction of the Executive Branch: the Information and Communications Technology Federal Enforcement Authority ("AFTIC").

As of the date of this offering memorandum, the regulation of the Digital Argentina Law is still pending, thus the economic and operational effects that these regulations might have on our operations remain uncertain.

Decree No. 267

The National Communications Agency, or Enacom, a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications, was created by Decree No. 267/15 as the enforcement authority under the Media Law and the Digital Argentina Law. Enacom has the same powers as those of AFSCA and AFTIC under the Media Law and the AFTIC under the Media Law and the Digital Argentina Law.

Decree 267 repealed Section 161 of the Media Law, which established conditions for ownership and limited the number of licenses, and amended Section 45 of the Media Law.

Under the new regulatory framework, the licenses granted to us and our subsidiaries under the Broadcasting Law and the Media Law are now called "Registrations" for the exploitation of physical link and radio-electric link subscription cable television services of a *Licencia Única Argentina Digital*.

The only license we hold which could be considered to be subject to the Media Law is the registered title of the signal METRO, since this signal is broadcasted through other services and therefore has a registration number issued by Enacom that must be renewed on an annual basis.

Among other provisions Decree 267 eliminates:

- The inability to offer in the same location broadcast television services and subscription cable television services. Subscription cable television services exploited through a physical link or radio-electric link are considered to be TIC services and are subject to the Digital Argentina Law;

- The limit of 10 licenses for radio-electric link subscription cable television services and 24 licenses for physical link subscription cable television services, which as from January 4, 2016, are considered to be TIC services;

- The 35% of all subscribers limit;

- The applicability of Section 45 of the Media Law and the multiple license regime contemplated therein to physical link and radio electric link subscription cable television services, as they are now subject to the Digital Argentina Law;

- The registration of physical link subscription cable television services and their limitation to a specific territorial area. This is also applicable to radio-electric link subscription television services, however, the portion of the spectrum allocated to render such services is subject to geographical limits; but in this case, the portion of the spectrum allocated to render such services, limits the service to a specific area; and

- The expiration of registrations for both physical link subscription cable television services and for radio-electric link subscription cable television services, however, the portions of the spectrum allocated to render radio-electric link subscription cable television services do expire.

Under Section 7 of Decree No. 267, the term for the use of radio electric spectrum frequencies by the holders of subscription television licenses allocated under the Broadcasting Law and the Media Law is the greater of the period established under the original title and 10 years from January 1, 2016.

Enacom did, however, issue Resolution No. 427/2016 establishing that licensees that do not hold a license for the same type of service and have not already obtained a ruling recognizing their request to extend the license, will be required to ratify such extension request. Although some of the entities in which we hold a minority stake will have to comply with such ratification procedure, we will not be required to file a ratification request with the Enacom, as our license is still valid.

Regardless of the fact the Registrations are not granted for a specific area, we will follow the procedure established by Resolution Enacom No. 427/16 and will disclose via internet (*aplicativo web)* the geographical location of our services, indicating the original coverage area, the complementary territorial units and/or extensions in which we are currently providing services.

Under Decree 267, providers of telecommunication services that have been granted licenses to provide fixed telephone services, or mobile telephone services providers that have been granted licenses pursuant to the list of bidding conditions approved by the former Ministry of Economy and Public Services, later ratified by Decree No. 1,461/93, will only be able to provide subscription broadcasting services by means of physical or radio-electric link after two years as of January 1, 2016. Such period may be extended for an additional year at the discretion of the Argentine government.

Under Law No. 26,122, such as Decree 267, Necessity and Urgency Decrees remain in effect so long as both chambers of the Argentine Congress do not approve their rejection. On April 6, 2016, the House of Representatives approved Decree 267, which took effect upon publication in the Official Gazette on April 8, 2016.

Pursuant to Resolution Enacom No. 1394/16 ("Resolution 1394"), which approved the general regulation of broadcasting services subscription by physical and/or radio link, we and our subsidiaries that have purchased bidding forms to apply for a license extension, must request an authorization for the specific coverage area.

Certain of our historic equity transfers and transfers of licenses were not previously approved by the COMFER and the AFSCA. However, pursuant to Decree 267 and Resolution Enacom 427/16, all transfers of broadcasting and TIC Services licenses are subject to the subsequent approval of the Enacom, which may be expressly granted or deemed approved if the Enacom does not make any official observation within 90 days from the effectiveness of the transfer. The transfer of licenses or shares without the approval of the Enacom is subject to revocation.

Programming Grid

AFSCA Resolution No. 296/2010 provided guidelines for the organization of the programming grid applicable to owners of cable television services and regulated Section 65 of the Media Law.

In spite of our intentions to organize our programming grids in accordance with the Media Law, the AFSCA initiated multiple proceedings claiming that we had failed to comply with Resolution No. 296/2010. Although we have responded to such actions, we have been fined in certain of them. As of the date of this offering memorandum, many of the decisions imposing such fines have been appealed.

On December 23, 2013, we filed our new programming grid with the AFSCA, which contemplated both a digital and an analog system.

Pursuant to Section 7 of Decree 267, all physical link and radio electric link cable television services are governed by the Digital Argentina Law. Therefore, we believe we are no longer subject to Section 65 of the Media Law and its implementing regulations.

Notwithstanding the foregoing, Resolution No. 1394/2016 ("Resolution 1394") issued by the Enacom states that providers of cable television services, whether through physical link or radio link, must comply with certain requirements relating to their programming grids.

In accordance with Section 7 of Decree 267, all physical link and radio electric link cable television services are governed by the Digital Argentina Law.

Contents

Since November 1, 2002, the successive administrative regulators (COMFER, AFSCA and Enacom) have initiated proceedings against us based on alleged violations to broadcast content regulations. As of the date of this offering memorandum, 55% of the fines imposed pursuant to such administrative proceedings have been cancelled, 41% have been submitted to the payment system provide by Resolution 661/12, and the remaining 9% of the decisions imposing fines have been appealed and have not yet been decided. We consider the aggregate amount of these fines to be immaterial.

Improper Delegation of Licenses

Between September and October 2011, the AFSCA initiated actions based on the improper delegation and exploitation of several licenses that are now held by us. These actions resulted from the merger between Multicanal and Teledigital with Cablevisión, which was rejected by COMFER through Resolution No. 577/COMFER/09. In spite of the fact that we have timely responded to these actions, as the date of this offering memorandum no final decision has been rendered with regards to these actions. Notwithstanding the foregoing, Enacom has revoked Resolution No. 577/09 and as a result, the actions initiated by AFSCA have become moot.

Contributions to the Universal Service Fund, Radiofrequencies Fees, Control, Verifications and Supervision Fees and Broadcasting Fees

As of the date of this offering memorandum, we have complied with all of our obligations and payments arising from the universal service fund, the control rates, the verification and supervision fee and the payment of the broadcasting tax. We were unable to comply with these payments while our Fibertel license was being challenged, but have resumed such payments as soon as this challenge was declared null. The sums not paid during this period have been included in our Financial Statements.

The Uruguayan Audiovisual Communications Law

The Uruguayan Audiovisual Communications Law No. 19,307 (the "Uruguayan Audiovisual Law") was published in the Official Gazette of Uruguay on January 14, 2015, and regulates the provision of radio, television and other audiovisual communication services. Although the executive branch was required by Section 202 of the Uruguayan Audiovisual Law to issue the corresponding regulations relating to this law within 120 days of its publication in the Official Gazette, as of the date of this offering memorandum the executive branch has only issued Decree No. 45/15, which provides for the implementation of only some of its provisions.

Among other things, the Uruguayan Audiovisual Law provides that:

- licenses for the use and assignment of the radio electric spectrum of non-satellite audiovisual communication services are valid for 15 years and can be renewed for subsequent 10-year periods subject to compliance with certain requirements;

- both individuals and legal entities are prohibited from being the sole or joint owners of more than six permits or licenses for the sale of television services to subscribers in Uruguay. If any such permits or licenses include the department of Montevideo, the limit is reduced from six to three;

- any individual person or legal entity that owned more than the permitted number of permits or licenses as of the date of effectiveness of the Uruguayan Audiovisual Law must transfer any permits or licenses in excess of such limit within four years of the effectiveness of the Uruguayan Audiovisual Law; and

- providers of television services cannot provide phone or data transmission services in Uruguay.

As of the date of this offering memorandum, our Uruguayan subsidiary Adesol is analyzing the potential consequences that the Uruguay Audiovisual Law may have on its operations, and is considering any legal actions that it might be entitled to take in order to protect its rights and those of its shareholders. Several actions have been filed by third parties claiming that the Uruguayan Audiovisual Communications Law is unconstitutional, the majority of which remain pending. However, such rulings will only affect the moving party.

Antitrust Considerations

Antitrust Law

The Argentine Antitrust Law regulates competition in the Argentine market. It is based on two basic pillars: a system of sanctions against anticompetitive behavior and preemptive regulation of market concentrations through established pre-merger controls.

The law defines the various acts that constitute anticompetitive based on whether if they restrict competition and cause harm to the general economic interest, and sets forth applicable fines. Acts that may give rise to penalties include:

- fixing, establishing or altering market prices, directly or indirectly, through concerted actions;

- limiting or controlling, by means of concerted action, technical developments or investments in the production, distribution or marketing of goods or services; and

- entering into agreements or undertaking concerted actions to distribute zones, markets, clientele or sources of supply, in each case that limit, restrict or distort competition or which constitute an abuse of a dominant position in the market.

Under the Argentine Antitrust Law, penalties can range from Ps. 10,000 to Ps. 150 million and may be doubled for repeat offenders. The CNDC and the Argentine Secretary of Domestic Trade (the "SDT") have the power to order a party to abstain from or cease any activities in violation of the provisions of the Argentine Antitrust Law, and to request a court with jurisdiction over the company engaging in such violations to order its liquidation or dissolution. The entity engaged in the prohibited practice as well as its directors, legal representatives, attorneys-in-fact, managers, statutory auditors and members of the supervisory committee are jointly and severally liable for any fines imposed by the CNDC and the SDT under the Argentine Antitrust Law.

The provisions of the Argentine Antitrust Law apply to all individuals and entities that carry out business activities in Argentina or abroad, to the extent that their acts, activities or agreements affect the Argentine market.

The CNDC monitors the Argentine economy, inhibits monopolies and encourages competition by analyzing and approving, rejecting or conditioning operations of economic concentration, such as mergers, transfers of on-going concerns, acquisitions of equity, convertible debt instruments or entering into agreements that grant control of, or a dominant influence over a company, when the combined volume of business of the relevant companies exceeds a certain threshold. Companies engaged in operations of economic concentration must submit to the CNDC a full description of their respective businesses and of the transaction or series of transactions that give rise to the economic concentration. The CNDC has a waiting period of 45 business days from the date of filing to approve the transactions, condition their approval or deny authorization. The final resolution of the matter is made by the SDT, based on a technical report by the CNDC. Conditions may include sale to a third party of a part of the operations or assets of the concentrated companies, or the partial approval of a global operation but rejection of one or more of the transactions under review. The 45-day period is suspended each time the CNDC requests additional information from the parties, until such additional information is furnished.

Antitrust Legal Proceedings

Proceedings relating to anticompetitive behavior

We are a party to several proceedings under the framework of the Antitrust Law, facing charges of restrictive behavior, including the territorial division of markets, price discrimination, abuse of a dominant position, refusal to deal and predatory pricing. We are also party to a proceeding filed by the Cámara de Cableoperadores Independientes (Chamber of Independent Cable Operators), objecting to the transactions effected on September 26, 2006.

Proceedings under the Argentine Antitrust Law pending against us include the following:

- Proceedings relating to allegedly concerted subscriber allocation between us and Multicanal in the cities of Santa Fe and Paraná when we were unrelated companies.

- Claim filed by different entities alleging pricing discrimination practices.

- Claims filed by different competitors relating to predatory pricing.

The investigations carried out by the CNDC and SCI may lead to the imposition of more fines pursuant to Law No. 25,156, which would be appealable. Any fines would be calculated based on the magnitude of: (i) the loss incurred by the persons affected by the allegedly prohibited activity; (ii) the benefit obtained by all the persons involved in the prohibited activity and (iii) the value of the assets involved owned by the persons indicated in item (ii) above at the time the alleged violation was committed. To date, there no standard criteria for these guidelines.

While we believe that our conduct has always been within the bounds of the Argentina antitrust law and regulations, and that our positions in each of these proceedings are reasonably grounded, we can give no assurance that any of these cases will be resolved in our favor.

Proceedings related to monthly subscription prices

SCI passed Resolution No. 50/10 ("Resolution 50"), which approved certain rules for the sale of pay television service. These rules provide that cable television operators must apply a formula to estimate their monthly subscription prices. The price calculated with this formula was to be reported to the Office of *Dirección de Lealtad Comercial* (Office of Business Loyalty) between March 8 and March 22, 2010. Cable television operators must adjust this amount semi-annually and inform the Office of Business Loyalty of the results of such adjustment.

The actual impact of the application of this formula remains uncertain, due to the vagueness of the parameters provided by Resolution 50 to reach the required monthly subscription prices. We believe that Resolution No. 50 is arbitrary, thus we have therefore filed related administrative claims and brought legal actions requesting the suspension of Resolution 50 and its nullification.

We cannot assure you that the aforementioned proceedings will be decided in our favor. If the constitutionality of Resolution No. 50 is upheld, we may be forced to modify the fee charged to our cable television customers, which could have a material adverse effect on our business. Notwithstanding the foregoing, as of the date of this offering memorandum, in accordance with the decision rendered on August 1, 2011 in re, "LA CAPITAL CABLE S.A. c/ Ministerio de Economía-Secretaría de Comercio Interior de la Nación", the Federal Court of Appeals of the City of Mar del Plata has ordered SCI to suspend the application of Resolution No. 50 with respect to all cable television licensees represented by the Argentine Cable Television Association ("ATVC" using its Spanish acronym). This decision is in full effect and may not be disregarded by the SCI.

On June 1, 2010, the SCI imposed a Ps. 5 million fine on us alleging that we had failed to comply with the information regime set forth by Resolution No. 50. The fine was appealed and reduced to Ps. 300,000. Nevertheless we have also appealed this fine.

On March 10, 2011 SCI Resolution No. 36/11 ("Resolution 36") was published in the Official Gazette. This resolution falls within the framework of Resolution 50. Resolution 36 established parameters to be observed while providing services to our customers from January 2011through April 2011. These parameters were as follows: (i) the monthly basic subscription price should be of Ps. 109 for that period; (ii) the price of other services rendered by us should remain unchanged as of the date of publication of the resolution; and (iii) the promotional benefits, existing rebates and/or discounts already granted as of that date should be maintained. The resolution also provided that we must reimburse users for any amount collected above the price set for that period.

We believe that Resolution 36 is illegal and arbitrary, since it is grounded on Resolution 50. Since the application of Resolution No. 50 has been suspended, the application of Resolution No. 36 has been suspended as well.

The SCI issued a series of resolutions through which it extended the effectiveness of Resolution No. 36 and adjusted the cable television subscription price to Ps. 152. We believe, however, that as SCI has been ordered to suspend the application of Resolution No. 50 with respect to all cable television licensees (among them, us and our subsidiaries) represented by ATVC, we will continue to be protected by such preliminary injunction, and therefore, our ordinary course of business will not be affected.

Tax Proceedings

On October 1, 2015, the Second Chamber of the Court of Appeals on Federal Administrative matters rendered a decision in re "AEDBA and other v. National Government - Decree No. 746/03 - AFIP on Incidental Procedure" in favor of ATVC. Pursuant to this decision, the plaintiffs and the companies represented by such plaintiffs are entitled to have a differential VAT regime applicable to the sector which they operate. 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 is final.

As a result of this decision, as from September 2015, we and our subsidiaries started to calculate employer's contributions as tax credit on VAT. The amount we calculated was approximately Ps. 237 million as of December 31, 2015.

Legal Proceedings

We and our subsidiaries are party to various legal and administrative proceedings arising in the ordinary course our business. Although the outcome of pending actions cannot be accurately predicted, in our opinion, such proceedings are not reasonably likely to have a material adverse effect on our financial position or results of operations.

We have become aware of a legal action (the details of which we have not yet been notified to it as of the date of this offering memorandum) brought against former Multicanal by an entity representing consumers and alleged financial victims (and by six other individuals), claiming damages suffered by noteholders – individuals who are not professional investors or consumers – derived from Multicanal's Acuerdo Preventivo Extrajudicial (Out-of-

court Reorganization Proceeding"). The plaintiff states that Multicanal's Acuerdo Preventivo Extrajudicial (Out-of-court Reorganization Proceeding") does not have *res judicata* effects. Since we have not been served notice of the claim, we cannot evaluate the merits or likely consequences and outcome of such proceeding.

We were served notice of Resolution No. 16,819, dated May 23, 2012, Resolution No. 16,765 dated March 16, 2012 and Resolution No. 17,769 dated August 13, 2015, whereby the CNV ordered the initiation of summary proceedings against us and our 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 alleges that we failed to comply with our duty to inform because the investor community was deprived of its right to become fully aware of the grounds of (i) 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. c/ Cablevisión S.A. s/amparo", (ii) a decision rendered by the Supreme Court of Argentina in re "Recurso de Hecho deducido por el Estado Nacional Ministerio de Economía y Producción en la causa Multicanal S.A. y otro c/ CONADECO Dto. 527-05" and others, and (iii) allegedly failed to disclose a series of issues relating to the information required by the CNV regarding the Extraordinary Meeting of Class 1 and 2 Noteholders held on April 23, 2010. As of the date of this offering memorandum, this legal matter is still pending resolution from the CNV.

We believe that there are strong arguments in our favor, however, we cannot assure that the outcome of these claim will be favorable.

On May 30, 2013, we were served notice of a claim in re "TELEVISORA PRIVADA DEL OESTE S.A. c/ GRUPO CLARÍN S.A. Y OTROS s/ ORDINARIO" File No. 26,474/2011, 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. As it arises from the claim, with Grupo Clarín, we among others, would also be defendants. As of the date of this offering memorandum, the judge has not ordered discovery procedures.

As a result of a suspicious transaction report issued by the AFIP relating to transactions carried out between us, as the controlling company, and certain subsidiaries, the UIF pressed criminal charges against us and our officers in charge during the relevant fiscal year, for alleged money laundering in connection with intercompany movements between us and certain subsidiaries during the 2008 fiscal period. The claim is now pending before Federal Court No. 9.

During the month of March 2014, the intervening prosecutor, Dr. Miguel Angel Osorio, broadened the request for evidence.

We consider that there are strong arguments in our favor, and have gathered evidence that supports the lack of involvement of anyone in any such unlawful maneuvers. However, we cannot assure you that the outcome of this claim will be favorable.

Environmental Matters

We seek to comply with all relevant environmental legislation and no claims have been made against us in respect of environmental matters.

We have performed several tests in order to analyze the levels of radiation emitted by our equipment. All such tests have evidenced that the radiation levels are standard.

Environmental Impact Assessment

We view sustainability as a way to conduct business and to operate and provide services. Several years ago, we began taking action to manage environmental matters, at first through separate activities, some of which have been implemented.

As of 2014, we incorporated the Environmental Model ISO 14001, which has been implemented in the city of Rosario and will be expanded to our entire operations.

We have overseen the systematic collection of information relating to environmental management indicators, in line with to the Global Reporting Initiative (GRI) guidelines for voluntary reporting to ensure the monitoring our environmental footprint and to continue improving our environmental performance. This initiative has been a great challenge because it has meant the collection and consolidation of environmental performance information in over 280 sites across Argentina, where various activities are carried out, namely: administrative offices, commercial offices, channels for television content production and technical bases. The cooperation of those responsible for the sites, health, security, occupational assistance and environment teams, and collaborators from various areas of our management have been crucial,. Management's support highlights the importance of the monitoring of our environmental impact in order to improve our approach and planning of initiatives aimed at improving our performance.

Consumption of Resources

Company consumption is closely linked to the provision of services and therefore varies greatly, from office materials to the materials used to grant our clients access to our Internet and cable television services.

We rely on exiting processes to reduce the consumption of decoders across the country and developing mechanisms to recover the units loaned to customers which are in poor condition, in order to repair and refurnish them in the repairs laboratory and reincorporate them into the commercial cycle.

Our central building is located at General Hornos 690, and was built over the foundation of an existing building equipped with technology that reduces energy consumption in lighting, (through energy efficient lighting and movement sensors in meeting rooms), air conditioning and elevators.

The control of energy consumption and the management of energy are fundamental to the minimization of our carbon footprint and the impact of climate change.

The consumption of materials necessary for our operations generate waste, which we work to separate by material in order to increase its environmental and social value, where possible. We donate equipment to institutions that receive free Fibertel connections and others located in low-income neighborhoods. We strive to contribute to global access to telecommunications services, as well as the protection of environment through the recycling of equipment. Since 2002, we have collaborated with the *Programa de Reciclado de Fundación Garrahan* (Recycling Program of the Garrahan Foundation). In 2015, we donated 16,141 kilos of paper representing 274 medium trees, and 158 kilos of plastic bottle caps. In addition, we donated 411 pieces of refurbished equipment to the *Fundación Equidad* (Equity Foundation) allowing for the reuse of these resources.

MANAGEMENT

Board of Directors

Our board of directors (the "Board of Directors" or the "Board") is currently composed of ten regular members, nine of whom are elected by the holders of the issued and outstanding shares of Class A Capital Stock and one of whom is elected by holders of Class B Capital Stock. Pursuant to Law No. 19,550 the absolute majority of the Board must be composed of residents of Argentina.

Each of our directors holds office for a term of one year, and may be re-elected without limitation. In the first meeting of the Board of Directors, the directors appointed a chairman and a vice-chairman (who replaces the chairman in the event of absence or unavailability). The chairman or, in the event of absence or unavailability of the chairman, the vice-chairman, is our legal representative.

Our directors and alternate directors are set forth below.

Name	DNI - CUIL	Title	Date of Appointment to the Board	Date of Expiration of Term	Independence determination[(1)]
Alejandro Alberto Urricelqui	DNI 13,481,883 / C.U.I.T. 20-13481883-3	Director & Chairman of the Board	April 20, 2016	April 20, 2017	No
Sebastián Sánchez Sarmiento	DNI 22,197,479 / C.U.I.T. 20-22197479-5	Director & Deputy Chairman of the Board	April 20, 2016	April 20, 2017	No
Carlos Alberto Moltini	DNI 14,134,476 / C.U.I.T. 20-14134476-6	Director	April 20, 2016	April 20, 2017	No
Jorge Carlos Rendo	DNI 10,360,723 / C.U.I.T. 20-10360723	Director	April 20, 2016	April 20, 2017	No
Ignacio Rolando Driollet	DNI 14,526,663 / C.U.I.T. 20-14526663-8	Director	April 20, 2016	April 20, 2017	No
Pablo César Casey	DNI 18,544,947 / C.U.I.T. 20-18544947-6	Director	April 20, 2016	April 20, 2017	No
Francisco Iván Acevedo	DNI 18,337,959 / C.U.I.T. 20-18337959-4	Director	April 20, 2016	April 20, 2017	No
Alejandro Manuel Estrada	DNI 4,300,504 / C.U.I.T. 23-4300504-9	Director	April 20, 2016	April 20, 2017	Yes
Carolina Susana Curzi	DNI 25,230,914 / C.U.I.T. 23-25230914-4	Director	April 20, 2016	April 20, 2017	No
Facundo Goslino	DNI 24,424,282 / C.U.I.T. 20-24424282-1	Director	April 20, 2016	April 20, 2017	No
María Leonor Rodriguez Pratt	DNI 36,625,870 / C.U.I.L. 27-36625870-7	Alternate Director	April 20, 2016	April 20, 2017	No
Magdalena María Blehaut	DNI 35,148,641 / C.U.I.T. 23-	Alternate Director	April 20, 2016	April 20, 2017	No

	35148641-4				
Alejandro Carlos Estrada	DNI 20,537,176 / C.U.I.T. 20-20537176-2	Alternate Director	April 20, 2016	April 20, 2017	Yes
Juan Martín Vico	DNI 22,098,192 / C.U.I.T. 20-22098192-5	Alternate Director	April 20, 2016	April 20, 2017	No
Horacio Eduardo Quirós	DNI 7,851,825 / C.U.I.T. 20-07851825-2	Alternate Director	April 20, 2016	April 20, 2017	No
Martín Gonzalo Etchevers	DNI 20,561,164 / C.U.I.T. 23-20561164-9	Alternate Director	April 20, 2016	April 20, 2017	No
Sebastián Bardengo	DNI 18,091,211 / C.U.I.T. 20-18091211-9	Alternate Director	April 20, 2016	April 20, 2017	No
Marcelo Trivarelli	DNI 20,597,740 / C.U.I.T. 20-20597740-7	Alternate Director	April 20, 2016	April 20, 2017	No
María Pía Arce Paniagua	DNI 95,213,916 / C.U.I.T. 27-95213916-4	Alternate Director	April 20, 2016	April 20, 2017	No

(1) In accordance with the provisions of Section 4, Chapter I, Title XII "*Transparencia en el Ámbito de la Oferta Pública" and Section 11, Chapter III, Title II "Órganos de Administración y Fiscalización, Auditoría Externa*" of the CNV rules.

In accordance with our bylaws, the shareholders elect each director for a term of one year. The above listed members of the Board were elected for a one year term expiring on April 20, 2017 and will hold office until the next ordinary shareholders' meeting. The shareholders also elect, for one-year terms, alternate directors who replace principal directors during absences. Executive officers serve at the discretion of the Board of Directors.

Biographical Information

Alejandro Alberto Urricelqui (D.N.I. No. 13,481,883, C.U.I.T. No. 20-13481883-3, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: October 16, 1959) has been a member of the Board of Directors since September 2006 and is currently the President of the Board of Directors. Mr. Urricelqui joined Grupo Clarín in 1990, and held the position of Financial Manager of AGEA until 1994. From 1994 to the present, he has been Chief Financial Officer of Grupo Clarín. He is also a member of the Board of Directors of Grupo Clarín. Before joining Grupo Clarín, Mr. Urricelqui was the Chief Financial Officer of Grupo Juncal.

Sebastián Sánchez Sarmiento (D.N.I. No. 22,197,479, C.U.I.T. No. 20- 22197479 -5, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: September 26, 1971) has been a member of the Board of Directors since March 2005. He is currently an independent financial consultant specializing in corporate finance and investment management. Until January 2005, Mr. Sánchez Sarmiento was Vice President of the capital markets group at JPMorgan Securities, Inc. He has a degree in Business Administration from the Catholic University of Córdoba and an MBA from the Simon School of Business Administration of Rochester University.

Carlos Alberto Moltini (D.N.I. No. 14,134,476, C.U.I.T. No. 20- 14134476-6, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: November 16, 1960) has been a member of the Board of Directors since September 2006 and was appointed as our Chief Executive Officer in October 2006. Mr. Moltini joined us after five years as the Chief Executive Officer of Multicanal and, prior to occupying that position, seven years as the Chief Financial Officer of Artear Radiotelevisivo Argentino S.A. (Artear), a leading broadcasting channel in the city of Buenos Aires, owned by Grupo Clarín. Previously, Mr. Moltini worked at Bagley Argentina

S.A. and other companies in the broadcasting sector. He graduated from the University of Buenos Aires with a degree in public accounting.

Jorge Carlos Rendo (D.N.I. No. 10,360,723, C.U.I.T. No. 20- 10360723, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: February 20, 1962) has been a member of the Board of Directors since September 2006. He joined in 1998, and is currently the Director of External Relations of Grupo Clarín. He graduated with a law degree Grupo Clarín from Universidad de Buenos Aires and later obtained a Master's degree from the Wharton School of the University of Pennsylvania. Mr. Rendo also serves on the boards of several other Argentine companies, including Papel Prensa y de Mandatos S.A.C.I.F., Prima, Compañia de Medios Digitales S.A., Artear, Artes Gráficas Rioplatense S.A. and Radio Mitre S.A. ("Radio Mitre").

Ignacio Rolando Driollet (D.N.I. No. 14,526,663, C.U.I.T. No. 20- 14526663-8, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: February 1, 1962) has been a member of the Board of Directors since September 2006. He joined Grupo Clarín in 1992, and served until 1994 as Deputy of Institutional Relations. Until December 1997, Mr. Driollet led Grupo Clarín's New Development Projects Group and during 1997, also served as Manager of Strategic Analysis. From 1998 to the present, he has been the Director of Corporate Strategy of Grupo Clarín. Mr. Driollet received a law degree from Universidad Católica Argentina in 1987.

Pablo César Casey (D.N.I. No. 18,544,947, C.U.I.T. No. 20-18544947 -6, domiciled at Piedras 1743, Zip Code (1139), City of Buenos Aires, born: June 20, 1967) has been a member of the Board of Directors since September 2006. He has worked with Grupo Clarín, directly and indirectly since 1986, and currently serves as the Director of Public Affairs for Grupo Clarín. Mr. Casey was an associate at the Argentine law firm Sáenz Valiente y Asociados until 1997, where he worked closely with Grupo Clarín. He also served as General Counsel for Multicanal from 1997 to 2005. Mr. Casey is also a member of the Board of Directors of Grupo Clarín. He received a law degree in 1993 from the Universidad de Buenos Aires and a Master's degree in Law and Economics from the Universidad di Tella.

Francisco Iván Acevedo (D.N.I. No. 18,337,959, C.U.I.T. No. 20-18337959-4, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: October 29, 1966) joined our Board of Directors in September 2006. Mr. Acevedo joined Grupo Clarín in 2000 and is currently Grupo Clarín's Director of Corporate Control. He graduated from the University of Buenos Aires with a degree in public accounting and subsequently earned a Master's degree in Business Management from the Instituto de Altos Estudios Empresariales of the Unversidad Austral. Mr. Acevedo worked for eight years before joining Grupo Clarín at Grupo Bunge (in Argentina and abroad) and before that for five years at Pistrelli, Díaz y Asociados, an affiliate of Arthur Andersen.

Alejandro Manuel Estrada (D.N.I. No. 4,300,504, C.U.I.T. No. 23-4,300,504 -9, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: December 20, 1939) he has been an alternate member of the Board of Directors at Cablevisión since March 2005. Mr. Estrada is a founding member of the Argentine investment bank, Infupa. Mr. Estrada also served as President of Infupa until 1992. He is also the founder and President of the Argentine investment bank, Banco Privado de Inversiones S.A. He also serves as Vice President of Grimoldi S.A. and is a member of the Board of Directors of Cerámica San Lorenzo I.C.S.A. Mr. Estrada received his degree in Economics from the Universidad Católica Argentina.

Facundo Goslino (D.N.I. No. 24,424,282, C.U.I.T. No 20-24424282-1, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, born: January 19, 1975) has been a member of the Board of Directors at Cablevisión since 2015. Mr. Goslino is a partner of the law firm Errecondo, González & Funes. He is currently also a member of the Board of Directors at Central Dique S.A., Las Pasturas de las Lomitas S.A., an alternate member of the Board of Directors at EDELAP S.A., Primera Red Interactiva de Medios Argentinos (PRIMA) S.A. and Fintelco S.A.; syndic of Caterpillar Financial Services S.A., and an alternate syndic of Partners I S.A., El Madrigal S.A., GF Agro S.A., AGF Retail S.A. and Salta Inversiones Eléctricas S.A. (SIESA). Mr. Goslino received his law degree from the Universidad Católica Argentina.

Alejandro Carlos Estrada (D.N.I. No. 20,537,176, C.U.I.T. No. 20-20537176 -2, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: November 11, 1968) has been an alternate member of the

Board of Directors at Cablevisión since May 2006. Mr. Estrada is a director in the Board of Directors of Banco Privado de Inversiones S.A. and Estrada Agropecuaria S.A. Mr. Estrada obtained his degree in Economics from the Universidad Católica Argentina, and a Master's degree in philosophy from the London School of Economics. Under CNV regulations, Mr. Estrada is an independent director.

Juan Martín Vico (D.N.I. No. 22,098,192, C.U.I.T. No. 20-22098192-5, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: February 18, 1971) joined us as Chief Financial and Administrative Officer in August 2007. Before that he worked for more than seven years at Grupo Clarín in his last position as Deputy Business Development Manager. Previously, he worked as a senior corporate analyst with Duff & Phelps Credit Rating Agency in Buenos Aires (which has since merged with Fitch Ratings). He graduated from the Universidad de Buenos Aires with a degree in public accounting and economics and subsequently earned a Master's degree in Finance from the Universidad del Cema. Mr. Vico is a CFA charterholder.

Horacio Eduardo Quirós (D.N.I. No. 7,851,825, C.U.I.T. No. 20-07851825-2, domiciled at Talcahuano 2740, Zip Code (1824), City of Buenos Aires, born: June 9, 1949) has been an alternate member of the Board of Directors of Cablevisión since October 2006. He is also a director of Artes Gráficas Rioplatense S.A. and other subsidiaries of Grupo Clarín, and he has acted as Director of Corporate Human Resources of Grupo Clarín since 1999. He previously worked in human resources in several companies in different sectors such as motor vehicles, agro industries and media. He also acted as President of the AMCHAM Commission of Institutional Relations and as President of the Human Resources Association of Argentina, also known as ADRHA and regional vice president of the Interamerican Federation of Associations of Human Resources. Mr. Quirós received a degree in Industrial Relations from the Universidad Argentina de la Empresa in 1972.

Martín Gonzalo Etchevers (D.N.I. No. 20,561,164, C.U.I.T. No. 23-20561164-9, domiciled at General Hornos 690, Zip Code (1272), City of Buenos Aires, born: May 14, 1969) has been an alternate member of the Board of Directors since October 2006. In addition, he has worked in the institutional relations sector of Grupo Clarín since 1994, and he is currently the Manager of External Communications there. Mr. Etchevers received a law degree with honors from the University of Buenos Aires and later a Master's degree from the University of CEMA, in addition to other post-graduate studies in Institutional Communications (Austral University) and Telecommunications Law (UBA). He is in charge of the International Relations Commission of ADEPA and a member of the Academic Committee in charge of the Masters in Journalism of the University of Universidad de San Andrés. Between 1993 and 1994 he worked as a journalist at Grupo Clarín. Under CNV regulations, Mr. Etchevers is not a "disinterested" director.

Sebastian Bardengo (D.N.I. N 18,091,211, C.U.I.T. No 20-18091211-9, domiciled at Piedras 1743, Zip Code (1140), City of Buenos Aires, born: May 14, 1966), has been an alternate member of the Board of Directors since 2015. Graduated in Business Administration from the University of Buenos Aires and completed special studies in administration and management at Harvard University. Since 2008, he is Managing Director of Business Development at Grupo Clarín and member of the Board of Directors of this entity and several of its subsidiaries. Previously, he worked for more than 20 years in investment banking and private equity, including the following positions: (i) Principal at Bank Boston Capital, a venture capital and private equity fund with investments in Argentina, Uruguay and Chile; (b) Executive Director at Bozano Simonsen Argentina Branch, a leading Brazilian investment banking firm; (c) Founding Partner at Buenos Aires Advisors, a financial advisory and M&A firm based in Buenos Aires. In addition, Mr. Bardengo was appointed as financial expert in international arbitration courts such as CIADI (World Bank International Centre for Settlement of Investment Disputes) and UNCITRAL (United Nations Commission on International Trade Law).

Marcelo Trivarelli (D.N.I. No. 20,597,740, C.U.I.T. No. 20-20597740-7, domiciled at Piedras 1743, Zip Code (1140), City of Buenos Aires, born: May 27, 1969) has been an alternate member of the Board of Directors since October 2006. Mr. Trivarelli works as Control Management Manager at Grupo Clarín. Previously, he was Audit and Management Assessment Manager at Pistrelli, Díaz y Asociados (Arthur Andersen). He received a degree in Public Accounting from the University of Buenos Aires, and he later received an Executive Masters degree in Corporate Management at the Instituto de Altos Estudios Empresariales of the Austral University (IAE). He is a professor at the Escuela de Dirección de Empresas and member of the Academic Committee of the Masters in Finance and Control Management.

Carolina Susana Curzi (DNI N° 25,230,914, C.U.I.T. 23-25230914-4, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, born: March 14, 1976), has been a director at Cablevisión since 2016. Mrs. Curzi is a partner of the law firm Errecondo, González & Funes. She is currently also a director at Central Dique S.A., an alternate director at Camuzzi Gas Inversora S.A., Camuzzi Gas del Sur S.A., Camuzzi Gas Pampeana S.A., PEM S.A., Sodigas Sur S.A., Sodigas Pampeana S.A., Las Pasturas de las Lomitas S.A., Empresa Distribuidora La Plata S.A. (EDELAP), a syndic at Fintelco S.A. and an alternate syndic at GSF S.A., GF Agro S.A., El Madrigal S.A., Infraestructura Energética del Plata S.A., Buenos Aires Energy Company S.A., Empresa Distribuidora de Electricidad de Salta S.A. (EDESA), Caterpillar Financial Services Argentina S.A., AGF Retail I S.A. y Aurum Valores Agente de Liquidación y Compensación y Agente de Negociación – Propio. Mrs. Curzi received her law degree from the Universidad de Buenos Aires.

María Leonor Rodriguez Pratt (DNI N° 36,625,870 C.U.I.L. 27-36625870-7, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, born: January 29, 1992), has been an alternate director at Cablevisión S.A. since 2016. She is also an alternate director of Cablevisión Sur S.A., PEM S.A., Fintelco S.A and Primera Red Interactiva de Medios Argentinos (PRIMA) S.A. Ms. Rodriguez Pratt is an associate of the law firm Errecondo, González & Funes. Ms. Rodriguez Pratt received her law degree from the Universidad de Buenos Aires

Magdalena María Blehaut (DNI N° 35,148,641, C.U.I.T. 23-35148641-4, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, born: March 9, 1990), has been an alternate director at Cablevisión since 2016. Ms. Bléhaut is an associate of the law firm Errecondo, González & Funes. Ms. Bléhaut received her law degree from the Universidad Católica Argentina.

María Pia Arce Paniagua (DNI N° 95,213,916; C.U.I.T. 27-95213916-4, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, born: August 24, 1989), has been an alternate director at Cablevisión since 2016. Ms. Arce Paniagua is an associate of the law firm Errecondo, González & Funes. Mrs. Arce Paniagua received her law degree from the Universidad Privada de Santa Cruz de la Sierra (with honors) and is a member of the Bolivian Bar Association. Mrs. Arce Paniagua is a graduate of the Master in Law and Economics at the Universidad Torcuato Di Tella.

Supervisory Committee

We have a statutory supervisory committee (*Comisión Fiscalizadora*), which is in charge of the internal supervision of its administrative matters and is composed of three members, *síndicos* or syndics, and three alternate syndics appointed annually by the shareholders. The members of our supervisory committee were appointed at the shareholders meetings held on April 20, 2016.

There are no family relationships between the abovementioned current members of our Board of Directors, other than for Mr. Alejandro Manuel Estrada and Mr. Alejandro Carlos Estrada, who are father and son, respectively.

Our syndics and alternate syndics are set forth below.

Name	Dni – CUIT/CUIL	Title	Date of Appointment	Date of Expiration of Term
Carlos Alberto Pedro Di Candia	DNI 7,787,685 / C.U.I.T. 20-07787685 6	Syndic	04.20.2016	04.20.2017
Hugo Ernesto López	DNI 12,667,028, / C.U.I.T. 20-12667028-2	Syndic	04.20.2016	04.20.2017
María Ximena Digón	D.N.I. 24,655,051 / C.U.I.T. 23-24655051 4	Syndic	04.20.2016	04.20.2017

Raúl Antonio Morán	DNI 5,060,204 / C.U.I.T. 20-05060204 5	Alternate Syndic	04.20.2016	04.20.2017
Miguel Angel Mazzei	DNI 4.439.426 / C.U.I.T. N° 23-04389426-5	Alternate Syndic	04.20.2016	04.20.2017
María Constanza Martella	DNI 29,499,963 / C.U.I.T. 27-29499963-4	Alternate Syndic	04.20.2016	04.20.2017

Biographical Information

Carlos A. P. Di Candia (DNI N° 7.787.685, C.U.I.T. N° 20-07787685-6, domiciled at Alberti 1954, Zip Code (1247), City of Buenos Aires, Born: November 13, 1947), has been a syndic at Cablevisión S.A. since 2012. Mr. Di Candia is an independent accountant. He is also a syndic at Grupo Clarín S.A. since 1999, at Arte Gráfico Editorial Argentino S.A. (AGEA) since 1987, at Artes Gráficas Rioplatense S.A. since 1987, at Artear since 1989. Mr. Di Candia received his accounting degree from the Universidad Nacional de La Plata, Province of Buenos Aires.

Hugo Ernesto López (DNI N° 12,667,028, C.U.I.T. N° 20-12667028-2, domiciled at Juan Bautista Alberdi 2842 P 6 depto A, Zip Code (C1406GSR), City of Buenos Aires, Born: September 17, 1956), has been a syndic at Cablevisión since 2013. Mr. López is an Independent Accountant. He is also a syndic at AGEA, Artear, Radio Mitre, Nextel Communications Argentina S.R.L. Mr. López received his accounting degree from the Universidad de Belgrano, City of Buenos Aires.

María Ximena Digón (D.N.I. No. 24,655,051, C.U.I.T. No. 23-24655051-4, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, Born: June 11, 1975) has been a syndic since April 2016. Mrs. Digón is a partner of the law firm Errecondo, González & Funes. She is also a director in the Board of Directors at Central Dique S.A., an alternate director in the Board of Directors of EDELAP S.A., syndic of Camuzzi Gas Pampeana S.A., Camuzzi Gas del Sur S.A., Sodigas Pampeana S.A., Sodigas Sur S.A., Camuzzi Gas Inversora S.A., Infraestructura Energética del Plata S.A. and an alternate syndic of Caterpillar Financial Services S.A., ESED S.A., Partners I S.A., Inversora Eléctrica de Buenos Aires S.A., y Aurum Valores Agente de liquidación y compensación y agente de negociación - propio. Mrs. Digón received her law degree with honors from the Universidad Católica Argentina.

Raúl Antonio Morán. (DNI N° 5,060,204, C.U.I.T. N° 20-05060204-5, domiciled at Leandro N. Alem 690, Zip Code (1001), City of Buenos Aires, Born: September 17, 1956) has been an alternate syndic at Cablevisión since 2012. Mr. Morán is an Independent Accountant. He is also a syndic at Grupo Clarín S.A., Arte Gráfico Editorial Argentino S.A., Arte Radioteleviso Argentino S.A., Radio Mitre S.A., Artes Gráficas Rioplatense S.A. Mr. Morán received his accounting degree from the Universidad Nacional de La Plata, Province of Buenos Aires.

Miguel Angel Mazzei. (DNI 4.439.426, C.U.I.T. N° 23-04389426-5, domiciled at Bdo. de Irigoyen 330, Zip Code 1072, City of Buenos Aires, Born: March 2, 2016) has been an alternate syndic at Cablevisión since 2012. Mr. Mazzei graduated as CPA from UBA. Mr. Mazzei is a partner of Bertora y Asociados. He is also a syndic at Telmex, Arrendadora de Servicios de Telec. S.A., Metrored Holdings SRL, Ertach S.A., Paginas Telmex S.A., and Village Cinema.

María Constanza Martella. (DNI N° 29,499,963, C.U.I.T. N° 27-29499963-4, domiciled at Bouchard 680, Zip Code (1106), City of Buenos Aires, June 18, 1982), has been an alternate syndic at Cablevisión since 2014. Ms. Martella is an associate of the law firm Errecondo, González & Funes. She is also an alternate director at Camuzzi Gas Inversora S.A., Sodigas Sur S.A., Sodigas Pampeana S.A., Central Dique S.A. and an alternate syndic at Caterpillar Financial Services Argentina S.A. Ms. Martella received her law degree from the Universidad de Buenos Aires.

As of the date of this offering memorandum, there are no service contracts between us and our directors or members of our supervisory committee. There are no contracts between us and our directors, members of our supervisory committee or executive officers in violation of Section 271 of the Argentine Corporation Law. As of the date of this offering memorandum, we do not have a formalized compensation committee.

Compensation

During the year ended December 31, 2015, the total remuneration paid to the Board and Audit Committee members was Ps. 137 million and Ps. 1.0 million, respectively. The total remuneration paid to our senior managers during the same period was Ps. 92.6 million.

Board of Directors and Senior Management Practices

Pursuant to that certain agreement of our shareholders dated as of September 26, 2006 (the "Shareholders Agreement"), the Board has established an executive committee comprised of one member of the Board designated by Fintech and one member of the Board designated by Grupo Clarín and our chief executive officer. Pursuant to the Shareholders Agreement, the Board may act by majority of the directors in attendance at a meeting, except with regard to certain matters described below. Such matters, unless approved unanimously by the members of the executive committee, must be considered by the Board and may not be approved without the affirmative vote of one or more of the Directors appointed by Fintech and one or more of the Directors appointed by Grupo Clarín pursuant to the terms of the Shareholders Agreement. The following is a summary of certain of the matters that, under the terms of the Shareholders Agreement, must be considered by the Board:

(i) any amendment, modification, supplement or replacement of the bylaws or any other of our organizational documents;

(ii) any material change in the conduct of the business we conduct that is not related to the delivery of video, telephone, data and related services, or any new services undertaken by similar cable television companies in other markets, and other businesses reasonably related thereto;

(iii) the hiring of any key employee;

(iv) any change in our independent auditors or tax advisors;

(v) our merger or consolidation in one transaction or in a series of related transactions, or an acquisition by us using our capital stock;

(vi) the issuance, grant, offer, sale, acquisition, redemption or purchase by us of shares of any class or series of our capital stock or other equity securities;

(vii) the adoption of any stock compensation plan for our management that would provide for the issuance of any securities or rights at less than fair market value or that, upon issuance or exercise, would represent the greater of two percent (2%) of our capital stock or U.S.$5 million;

(viii) our filing of a *concurso* or an *Acuerdo Preventivo Extrajudicial* under the Argentine bankruptcy law or a petition under any other Argentine, United States or other bankruptcy or insolvency law;

(ix) our incurrence of certain indebtedness for borrowed money;

(x) the creation or imposition of any encumbrance on any of our assets having a fair market value in excess of U.S.$30 million; and

(xi) the approval of certain capital expenditures.

Our bylaws provide that the Board of Directors shall have full power to manage and dispose of our property, including such powers as provided under Section 375 of the Argentine Civil and Commercial Code that must be vested under a special power of attorney. The Board of Directors may, in our name and stead, perform any acts that are in furtherance of our corporate purpose, including banking transactions. The compensation of the directors is set at shareholders' meetings. Under Argentine corporate law, the maximum remuneration that members of our Board of Directors can collect from us, including wages and other remuneration, cannot exceed 25% of

corporate earnings. This percentage is limited to 5% if no dividend is distributed. This limitation is increased in proportion to any dividends paid. When one or more directors perform special functions or technical administrative functions and the small amount or nonexistence of earnings makes it necessary to exceed the percentage established, the corporation cannot pay such sums without express approval at the shareholders meeting.

Pursuant to Section 274 of the Argentine General Corporations Law No. 19,550, directors have the obligation to perform their duties with the loyalty and diligence of a prudent business person. Directors are jointly and severally liable to us, our shareholders and third parties for the improper performance of their duties, for violating the law, our bylaws or regulations, if any, and for any damage caused by fraud, abuse of authority or gross negligence. Under Argentine law, specific duties may be assigned to a director by our bylaws or by a resolution of a shareholders' meeting or meeting of the Board. In such cases, a director's liability will be determined based on the performance of such duties, provided that certain requirements are met. Under Argentine law, directors are prohibited from engaging in activities that are against the interest of the company on whose board they serve. Certain transactions between directors and us are subject to ratification procedures established by Argentine law. These procedures do not apply in connection with transactions between affiliates of directors and us or between shareholders and us. A director must inform the Board of Directors of any conflicting interest that he or she may have in a proposed transaction and must abstain from voting on such transaction.

In general, a director will not be liable if, notwithstanding his or her presence at the meeting at which a resolution was adopted or his or her knowledge of such resolution, a written record exists of his or her objection to such resolution and the objection is reported to the statutory audit committee before any complaint against the director is brought to the Board, the statutory audit committee, a shareholders' meeting, the competent governmental agency or the courts. Except in the event of our mandatory liquidation or bankruptcy, shareholder approval of a director's performance terminates any liability of a director *vis-à-vis* us, provided that shareholders representing at least 5% of our capital stock do not object and provided further that such liability does not result from a violation of law or our bylaws.

We may initiate causes of action against directors upon a majority vote of our shareholders. If a cause of action has not been initiated within three months of a shareholders' resolution approving its initiation, any shareholder may start the action on behalf of and on our account. A cause of action against the directors may also be initiated by shareholders who object to the approval of the performance of such directors if such shareholders represent, individually or in the aggregate, at least 5% of our capital stock.

Senior Management

The current senior management is set forth below:

Name of Director	Principal Occupation	First Elected	Age
Carlos Alberto Moltini	Chief Executive Officer	2006	55
Gonzalo Hita	Deputy Chief Executive Officer	2006	45
Juan Martín Vico	Chief Financial and Administrative Officer	2007	45

At the annual shareholders meeting held on April 20, 2016, Price Waterhouse & Co. S.R.L. was appointed to conduct our audit of for the current financial year. Mr. Gustavo Ariel Vidan (DNI 16,321,217, C.U.I.T. 20-16321217-0, domiciled at Bouchard 557, 7°, City of Buenos Aires) and Mr. Alejandro Pablo Frechou (DNI 13,565,011, C.U.I.T. 20-13565011-1, domiciled at Bouchard 557, 7°, City of Buenos Aires), both members of Price Waterhouse & Co. S.R.L., were appointed as accountant and alternate accountant, respectively, to conduct our audit for the current financial year.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

The table below sets forth information concerning the percentage of our capital stock:

Identity of Owner	As of March 31, 2016	
	Number of Shares	% of Share Capital
Southtel Holdings S.A [(1)]	56,609,313	28.7
VLG Argentina, LLC [(2)]	101,252,687	51.3
Fintech Media LLC [(3)]	28,304,317	14.3
Vistone S.A. [(4)]	3,277,197	1.7
CV B Holding S.A. [(4)]	7,883,139	4.0
Others[(3)]	70,457	—
Total	197,397,110	100.0

(1) Class A Shares, controlled by Grupo Clarín.
(2) Class A Shares, 50% interest owned by Grupo Clarín and 50% interest owned by Fintech.
(3) Class B Shares.
(4) Class B Shares, controlled by Grupo Clarín.

Our capital is fully subscribed and paid in. All the issued shares are ordinary book-entry shares with a par value of Ps. 1.00 and one vote per share. Our principal shareholders have no preferential rights or voting rights that differ from those of the shares they own.

Through its subsidiaries Southel Holdings S.A., Vistone S.A. and CV B Holding S.A., Grupo Clarín holds 34.4% of our voting stock. Additionally, Grupo Clarín and Fintech each own a 50% interest in VLG Argentina LLC, which in turns holds 51.3% of our voting stock. Through its ownership in VLG Argentina LLC and the organizational documents of this entity, Grupo Clarín is entitled to require VLG Argentina LLC to vote its 51.3% shares of the Company in accordance with Grupo Clarín's instructions, except in respect of certain matters that require a unanimous vote.

Shareholders Agreement

On September 26, 2006, we, Grupo Clarín, Fintech, VLG Argentina LLC, Vistone LLC, CV B Holding LLC and Southtel Holdings S.A. entered into the Shareholders Agreement.

Under the Shareholders Agreement, each shareholder holding 10% or more of our shares has the right to nominate one member for election to our Board of Directors for every 10% of our shares owned, provided that a shareholder holding more than 50% of our shares shall nominate a majority of the members of the Board of Directors. The Board shall act by a majority of Directors attending the meeting, except with regard to certain matters, which, unless the executive committee has approved the action unanimously, shall not be approved without the vote of one or more of the Directors nominated by Grupo Clarín, Fintech and any third party entitled to nominate a director following a transfer of shares in compliance with the agreement. See "Management—Board of Directors and Senior Management Practices" in this offering memorandum for a summary of certain matters subject to this provision of the Shareholders Agreement.

Each shareholder holding at least 20% of our shares also has the right, at any time following the first anniversary of the agreement, to require us, subject to certain conditions, to undertake a public offering in Argentina of such shareholder's shares.

In addition, the Shareholders Agreement provides for certain tag-along rights and rights of first refusal, except for transfers of shares to affiliates and certain other permitted transferees.

The Shareholders Agreement requires that any contracts between us and a shareholder, or its affiliate, must be conducted on terms no less favorable to us than arm's length terms.

Related Party Transactions

We have engaged, and in the future may engage, in transactions with our shareholders and companies affiliated with our shareholders. In addition, we require that transactions with our shareholders and companies affiliated with our shareholders be approved by our Board of Directors and, in certain cases, after an independent fairness opinion or the favorable vote of a majority of "disinterested" directors in accordance with CNV regulations.

As of March 31, 2016, Televisión Dirigida, one of our subsidiaries, had investments with GCSA Investments LLC, a subsidiary of Grupo Clarín, for an aggregate amount of U.S.$18.7 million, and with companies related to Fintech Media LLC for an aggregate amount of U.S.$36.0 million. These investments totaled U.S.$54.7 million as of March 31, 2016, mature in February 2018, and accrue interest at a fixed interest rate of 9.375% (the "TD Investments"). The U.S. Dollar amounts in this paragraph were each converted at an exchange rate of Ps. 14.70 per U.S.$1.00.

Agreements with Shareholders

On June 28, 2008, with Grupo Clarín, we executed a supplementary agreement to the technical assistance agreement, effective as of September 26, 2006, whereby we amended the volume of the services rendered by Grupo Clarín and, thus, the mechanism used to determine Grupo Clarín's annual fee.

In 2015, we paid fees of Ps. 77.1 million to Grupo Clarín.

On January 5, 2016, the above-described agreement was further amended in order to reflect Grupo Clarín's new agreed upon annual fee of Ps. 74.4 million for 2016.

Licensing and Programming Agreements with Affiliates

We and some of our subsidiaries are party to certain licensing agreements with TRISA, an entity in which Grupo Clarín holds a 50% stake, for the distribution of "TyC Sports" (a sports programming channel). Although the framework programming agreement with TRISA expired, the parties are negotiating a renewal and, pending completion of that negotiation, have continued to render services in reliance on the existing terms. In addition, we also purchase broadcast television programming from ARTEAR, a subsidiary of Grupo Clarín.

DESCRIPTION OF THE NOTES

The following is a summary of the material provisions of the notes and the indenture governing the notes. Because this is a summary, it may not contain all the information that is important to you. Where reference is made to particular provisions of the notes or the indenture, such provisions are qualified in their entirety by reference to the provisions of the notes or the indenture, as applicable. You should read the indenture in its entirety. The holders of the notes are entitled to the benefits of, are bound by and are deemed to have notice of all the provisions of the indenture. Copies of the indenture may be obtained by requesting them from the Issuer and, for so long as the notes are listed and authorized for their public offering in Argentina and the rules of the CNV or other applicable Argentine law so require, or are listed on the MERVAL or admitted to trading on the MAE and the rules of the MERVAL, or of the MAE, as the case may be, so require, at the office of the representative of the trustee in Argentina, paying agent, transfer agent, registrar in the City of Buenos Aires, Argentina, and, for so long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market of such exchange, at the office of Deutsche Bank Luxembourg S.A., the Luxembourg listing agent, transfer agent and paying agent .

In this Description of the Notes, "Issuer" refers only to Cablevision S.A. and any successor obligor on the notes, and not to any of its subsidiaries. You can find the definitions of certain terms used in this description under "—Certain Definitions."

The notes were issued under an indenture dated as of June 15, 2016 among the Issuer, Deutsche Bank Trust Company Americas, as trustee, registrar, transfer agent and paying agent, Deutsche Bank S.A., as representative of the trustee in Argentina, Argentine registrar and transfer agent and Argentine paying agent, and Deutsche Bank Luxembourg S.A., as Luxembourg listing agent, transfer agent and paying agent. The terms of the notes include those stated in the indenture.

Basic Terms of Notes

The notes:

- were issued in an original aggregate principal amount of U.S.$500.0 million;
- were issued as "Series A" notes under our U.S.$1,000,000,000 Program for the issuance of obligaciones negociables in accordance with the Negotiable Obligations Law, the Argentine Capital Markets Law and the CNV Rules;
- mature on June 15, 2021, unless earlier redeemed in accordance with the terms of the notes (see "—Optional Redemption" below); and
    - bear interest commencing on the Issue Date at the rate set forth on the cover of this offering memorandum, payable semiannually in arrears on each June 15 and December 15, commencing on December 15, 2016, to holders of record on the June 1 or December 1 immediately preceding the interest payment date.

Interest on the notes accruea from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date to, but excluding, the relevant interest payment date. Interest is computed on the basis of a 360-day year of twelve 30-day months.

The Program was authorized by resolution of our shareholders' meetings dated April 28, 2014 and April 20, 2016 and our board of directors' meeting dated May 11, 2016, and approved by the CNV by Resolution No. 18,067 dated May 26, 2016. The issuance of the notes was approved at a meeting of our board of directors dated May 27, 2016, pursuant to the powers delegated to our board of directors at a shareholders' meeting dated April 20, 2016.

The Issuer will maintain a paying agent and a registrar, each with an office in the Borough of Manhattan, New York City. Initially, the trustee will act as registrar, transfer agent and principal paying agent for the notes.

The Issuer may change the registrar, co-registrar transfer agent and paying agent, without notice to holders. If a holder of notes in an aggregate principal amount of at least U.S.$1,000,000 has given wire transfer instructions to the Issuer to make a payment of respect of the holder's notes to a bank account in New York City, the Issuer will make all principal, premium, if any, and interest payments (including Additional Amounts) in respect of those notes in accordance with those instructions. All other payments on the notes will be made at the office or agency of the paying agent in New York City unless the Issuer elects to make interest payments by check mailed to the registered holders at their registered addresses.

The Issuer has applied to list the notes on the MERVAL and the Luxembourg Stock Exchange and to have the notes admitted for trading on the Euro MTF Market and the MAE. See "—Listing" below. In the event that the notes are listed on the MERVAL and/or traded on the MAE, and so long as the notes are authorized for their public offer in Argentina and the rules of the CNV or other applicable Argentine law so require, and the rules of the MERVAL or of the MAE, as the case may be, so require, the Issuer will maintain a paying agent, a transfer agent and a registrar in the City of Buenos Aires, Argentina. In the event that the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, so long as the notes are listed on such exchange and if the rules of such exchange so require, the Issuer will also maintain a listing agent, a registrar, a transfer agent and a paying agent in Luxembourg.

Additional Notes

Subject to the covenants described below and to prior approval from the CNV (to the extent applicable), the Issuer may create and issue additional notes ("Additional Notes") under the indenture having the same terms in all respects as the notes, or in all respects except with respect to the initial issuance price and interest paid or payable on or prior to the first interest payment date after the issuance of such notes, *provided* that the Issuer may only issue any Additional Notes with the same CUSIP number or other identifying number as the notes issued hereunder if such further issuance would be treated as part of the same "issue" as the notes issued hereunder within the meaning of United States Treasury regulation section 1.1275-1(f) or 1.1275-2(k). The notes offered hereby and any Additional Notes would be treated as a single class for all purposes under the indenture, including with respect to redemptions, and will vote together as one class on all matters with respect to the notes.

Ranking

The notes are:

- general, unsecured obligations of the Issuer;
- rank equal in right of payment with all existing and future unsubordinated obligations of the Issuer (except those obligations preferred by operation of Argentine law, including without limitation labor and tax claims);
- rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer, if any;
- effectively subordinated to all existing and future secured obligations of the Issuer, to the extent of the value of the assets securing such obligations; and
- not guaranteed by any Subsidiary and therefore are effectively subordinated to all existing and future obligations of the Subsidiaries.

In the event of a bankruptcy, liquidation or reorganization of any Subsidiaries of the Issuer, such Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer. The notes are therefore be effectively subordinated to creditors (including trade creditors) of Subsidiaries of the Issuer.

As of March 31, 2016, after giving *pro forma* effect to the issuance and sale of the notes and the application of the proceeds from the offering of the notes as described in "Use of Proceeds" in this offering memorandum, the

Issuer would have had consolidated total indebtedness of approximately U.S.$574 million, and the Subsidiaries would have had no indebtedness with third parties.

The notes constitute "*obligaciones negociables simples no convertibles*" under the Negotiable Obligations Law, and will be entitled to the benefits set forth therein and subject to the procedural requirements thereof. Under the terms of Article 29 of the Negotiable Obligations Law, notes constituting negotiable obligations grant their holders access to summary judgment judicial proceedings. In accordance with Law No. 26,831 (the "Argentine Capital Markets Law"), certificates in respect of the notes represented by any global note in favor of any beneficial owner subject to certain limitations set out in the indenture should enable beneficial owners to institute suit before any competent court in Argentina, including summary judgment proceedings, to obtain any overdue amount under the notes.

Additional Amounts

All payments of principal, premium, if any, and interest in respect of the notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by or within Argentina, or any other jurisdiction in which the Issuer or its paying agent make payments, in respect of the notes or by or within any political subdivision thereof or any authority therein or thereof having power to tax, (each, a "Relevant Jurisdiction"), unless such withholding or deduction is required by law. In the event of any such withholding or deduction of Taxes by a Relevant Jurisdiction, the Issuer will pay to holders such additional amounts ("Additional Amounts") as will result in the receipt by each holder of the net amount that would otherwise have been receivable by such holder in the absence of such withholding or deduction, except that no such Additional Amounts will be payable:

(a) in respect of any Taxes that would not have been so withheld or deducted but for the existence of any present or former connection (including, without limitation, a permanent establishment in the Relevant Jurisdiction) between the holder or beneficial owner of the note (or, if the holder or beneficial owner is an estate, nominee, trust, partnership, corporation or other business entity, between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the holder or beneficial owner) and any Relevant Jurisdiction with the power to levy or otherwise impose or assess such Tax, other than the mere holding or ownership of such note or beneficial interest therein or the receipt of payments or the enforcement of rights thereunder;

(b) in respect of any Taxes that would not have been so withheld or deducted if the note had been presented for payment within 30 days after the Relevant Date (as defined below) except to the extent that the holder would have been entitled to Additional Amounts had the note been presented for payment on the last day of such 30-day period;

(c) in respect of any Taxes that would not have been so withheld or deducted but for the failure by the holder or the beneficial owner of the note to (i) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled or (ii) comply with any certification, identification, information, documentation or other reporting requirement concerning its nationality, residence, identity or connection with the Relevant Jurisdiction; *provided* that such declaration or compliance was required by applicable law, regulation, administrative practice or an applicable treaty as a precondition to exemption from all or part of such Taxes and the Issuer has given the holders at least 30 days prior notice that they will be required to comply with such requirements;

(d) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property or similar taxes, duties, assessments or other governmental charges;

(e) in respect of any Taxes that are payable other than by deduction or withholding from payments on the notes;

(f) in respect of any Taxes that would not have been so imposed if the holder had presented the note for payment (where presentation is required and the Issuer has given the holders at least 30 days prior notice that they will be required to comply with such presentation) to another paying agent;

(g) in respect of any payment to a holder of a note that is a fiduciary or partnership (including an entity treated as a partnership for tax purposes) or any Person other than the sole beneficial owner of such payment or note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such note; or

(i) in respect of any combination of clauses (a) through (g) above.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in New York City, New York by the trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect has been given to the holders by the trustee.

All references to principal, premium, if any, and interest in respect of the notes will be deemed also to refer to any Additional Amounts which may be payable with respect to such principal, premium or interest.

Upon written request from the trustee, the Issuer will furnish to the trustee documentation reasonably satisfactory to the trustee evidencing payment of any Taxes so deducted or withheld. Copies of such documentation will be made available by the trustee to holders upon written request to the trustee.

The Issuer will promptly pay when due any present or future stamp, issue, registration, court or similar documentary taxes or any other excise or property taxes, charges or similar levies, including interest and penalties, that arise in any jurisdiction from the execution, delivery or registration of each note or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction other than a Relevant Jurisdiction, except those resulting from or required to be paid in connection with, the enforcement of such notes after the occurrence and during the continuance of a Default with respect to the notes.

In the event that the Issuer pays any Argentine personal asset tax in respect of the outstanding notes, the Issuer has agreed to waive any right it may have under Argentine law to seek reimbursement from the holders or direct owners of the notes of any such amounts paid.

In the event of any merger or other transaction described and permitted under "—Certain Covenants—Limitation on Consolidation, Merger or Sale of Assets," in which the surviving entity is a corporation organized and validly existing under the laws of a country other than Argentina, all references to a Relevant Jurisdiction, under this "Additional Amounts" section and under "—Optional Redemption—Optional Redemption upon a Tax Event" will be deemed, for the avoidance of doubt, to include such country and any political subdivision therein or thereof, law or regulations of such country, and any taxing authority of such country or any political subdivision therein or thereof, respectively.

Optional Redemption

Optional Redemption with a Make-Whole Premium

At any time prior to June 15, 2019, the Issuer will have the right, at its option, to redeem the notes, in whole but not in part, at a redemption price equal to (A) 100% of the principal amount of such notes, plus accrued and unpaid interest (including Additional Amounts, if any) to the date of redemption, plus (B) the excess, if any, of (1) the sum of the present values of the remaining scheduled payments of principal and interest on the notes discounted to the redemption date for the notes on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, less accrued interest to the redemption date, over (2) 100% of the principal amount of the notes (subject to the rights of holders of the notes on the record date preceding the redemption date to receive interest due on the succeeding interest payment date).

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Issuer.

"Comparable Treasury Price" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means Deutsche Bank Securities Inc., Itaú BBA USA Securities Inc. and J.P. Morgan Securities LLC or any of their respective affiliates which are primary United States government securities dealers and not less than one other leading primary United States government securities dealer in New York City reasonably designated by the Issuer; *provided* that if any of the foregoing cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), the Issuer will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer at 3:30 pm New York City time on the third Business Day preceding such redemption date.

Optional Redemption without a Make-Whole Premium

At any time and from time to time on or after June 15, 2019, the Issuer may, at its option, redeem the notes in whole or in part, at the redemption prices, expressed as percentages of principal amount, set forth below, plus accrued and unpaid interest thereon (including Additional Amounts), if any, to the applicable redemption date, if redeemed during the 12 month period beginning on June 15 of the years indicated below:

Year	Percentage
2019	103.250%
2020	101.625%
2021	100.000%

Optional Redemption with Proceeds of Equity Offerings

At any time, or from time to time, on or prior to June 15, 2019, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of notes (including any Additional Notes) at a redemption price of 106.500% of the principal amount thereof, plus accrued and unpaid interest (including Additional Amounts, if any) to the redemption date; *provided* that:

(1) notes in an aggregate principal amount equal to at least 65% of the aggregate principal amount of notes issued on the first Issue Date remain outstanding immediately after the occurrence of such redemption; and

(2) the redemption must occur not more than 90 days after the date of the closing of such Equity Offering.

Optional Redemption upon a Tax Event

The notes may be redeemed, in whole but not in part, at the Issuer's option, subject to applicable Argentine laws, at a redemption price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest (including Additional Amounts, if any) to the redemption date, if the Issuer has or will become obligated to pay Additional Amounts on or in respect of the notes as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of any Relevant Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction) in any Relevant Jurisdiction, if such change or amendment occurs on or after the date of the indenture and such obligation cannot be avoided by the Issuer taking commercially reasonable measures available to it; *provided* that no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts; and *provided further*, that commercially reasonable measures shall be understood not to include any change in our jurisdiction of incorporation or organization or location of our principal executive office or registered office. Prior to the giving of notice of redemption of notes pursuant to the indenture, the Issuer will deliver to the trustee an Officers' Certificate to the effect that the Issuer is or at the time of the redemption will be entitled to effect such a redemption pursuant to the indenture, and setting forth in reasonable detail the circumstances giving rise to such right of redemption. The Officers' Certificate will be accompanied by a written opinion of recognized counsel in the Relevant Jurisdiction, independent of the Issuer, to the effect that the Issuer is, or is expected to become, obligated to pay Additional Amounts as a result of a change or amendment, as described above.

Selection and Notice

Notice of any redemption will be delivered at least 30 but not more than 60 days before the redemption date to holders of notes (with a copy to the trustee) to be redeemed at their respective registered addresses. For so long as the notes are listed on the MERVAL, traded on the MAE or listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of such exchanges so require, the Issuer will cause notices of redemption to also be published as described in "—Notices" below.

Notes called for redemption will become due on the date fixed for redemption. The Issuer will pay the redemption price for the notes together with accrued and unpaid interest thereon (including Additional Amounts, if any) through the date of redemption. On and after the redemption date, interest will cease to accrue on the notes as long as the Issuer has deposited with the paying agent funds in satisfaction of the applicable redemption price pursuant to the indenture. Upon redemption of the notes by the Issuer, the redeemed notes will be cancelled.

If fewer than all of the notes are being redeemed, selection of the notes for redemption will be made, to the extent permitted under applicable law and securities exchange rules, on a *pro rata* basis, by lot or by using any other method that the trustee deems fair and appropriate, or otherwise in compliance with DTC procedures and requirements, in denominations of U.S.$1,000 principal amount and higher integral multiples of U.S.$1,000. In the case of definitive notes, upon surrender of any note redeemed in part, the holder will receive a new note equal in principal amount to the unredeemed portion of the surrendered note. In the case of a global note, appropriate adjustments to the amount and beneficial interests in the global note will be made as necessary. Any notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. Notes called for redemption become due and payable at the redemption price on the redemption date (subject to the satisfaction of any conditions precedent included in the notice of redemption), and, commencing on the redemption date, notes redeemed will cease to accrue interest.

The Issuer may acquire notes by means of the redemption provisions above or by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with the applicable securities laws, so long as such acquisition does not otherwise breach the terms of the indenture.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the notes.

Suspension of Certain Covenants

If at any time after the Issue Date (i) the notes are rated Investment Grade by at least two of the Rating Agencies and (ii) no Default has occurred and is continuing under the indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), then, beginning on that day, the Issuer and its Restricted Subsidiaries will not be subject to the covenants in the indenture specifically listed under the following captions in this "Description of the Notes" section (the "Suspended Covenants"):

(1)"—Certain Covenants—Limitation on Debt;"

(2)"—Certain Covenants—Limitation on Restricted Payments;"

(3)"—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;"

(4)"—Certain Covenants—Limitation on Asset Sales;"

(5)"—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries;"

(6)"—Certain Covenants—Limitation on Transactions with Affiliates;" and

(7)clause (a)(3) of "—Certain Covenants—Limitation on Consolidation, Merger or Sale of Assets."

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the condition set forth in clause (i) of the first paragraph of this section is no longer satisfied, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events.

The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to in this description as the "Suspension Period." In the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any Restricted Subsidiary prior to such reinstatement will give rise to a Default or Event of Default under the indenture with respect to notes. On each Reversion Date, (1) any Subsidiaries designated as Unrestricted Subsidiaries during the Suspension Period shall automatically become Restricted Subsidiaries (subject to the Issuer's right to redesignate them as Unrestricted Subsidiaries pursuant to "—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries") and (2) all Debt Incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been Incurred pursuant to clause (b)(7) of "—Certain Covenants—Limitation on Debt."

For purposes of the "—Limitation on Asset Sales" covenant, on the Reversion Date, the amount of Excess Proceeds will be reset to the amount of Excess Proceeds in effect as of the first day of the Suspension Period ending on such Reversion Date.

There can be no assurance that the notes will ever achieve or maintain a rating of Investment Grade from the Rating Agencies.

Certain Covenants

The indenture contains covenants including, among others, the following:

Limitation on Debt

(a) The Issuer:

(1) will not, and will not permit any of its Restricted Subsidiaries to, Incur any Debt; and

(2) will not, and will not permit any of its Restricted Subsidiaries to, Incur any Disqualified Stock, and will not permit any of its Restricted Subsidiaries to Incur any Preferred Stock (other than Disqualified Stock or Preferred Stock of Restricted Subsidiaries held by the Issuer or a Restricted Subsidiary, so long as it is so held);

provided that the Issuer or any Restricted Subsidiary may Incur Debt or Disqualified Stock and any Restricted Subsidiary may Incur Preferred Stock if, (i) on the date of the Incurrence, after giving effect to the Incurrence and the receipt and application of the proceeds therefrom, the Interest Coverage Ratio is not less than 2.25 to 1.00, and the Leverage Ratio is not greater than 3.00 to 1.00 and (ii) no Default or Event of Default shall have occurred and be continuing.

(b) Notwithstanding the foregoing, the Issuer and, to the extent provided below, any Restricted Subsidiary may Incur the following ("Permitted Debt"):

(1) Debt of the Issuer or any Restricted Subsidiary to the Issuer or any Restricted Subsidiary so long as such Debt continues to be owed to the Issuer or a Restricted Subsidiary; *provided, however,* that

(i)any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary to which Debt is owed by the Issuer or another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Debt owed by the Issuer or a Restricted Subsidiary (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Debt by the issuer thereof;

(2) Debt of the Issuer pursuant to the notes (other than Additional Notes);

(3) Refinancing Debt in respect of:

(A) Debt (other than Debt owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to paragraph (a) above (it being understood that no Debt outstanding on the Issue Date is Incurred pursuant to such paragraph (a) above), or

(B) Debt Incurred pursuant to clauses (b)(2), (6) or (7).

(4) Hedging Agreements of the Issuer or any Restricted Subsidiary entered into in the ordinary course of business for bona fide hedging purposes and not for speculation;

(5) Debt consisting of letters of credit, banker's acceptances, performance bonds, appeal bonds, surety bonds, bid bonds, customs bonds and other similar bonds and reimbursement obligations Incurred by the Issuer or any Restricted Subsidiary in the ordinary course of business securing the performance of contractual, franchise or license obligations in connection with or to secure statutory, regulatory or similar obligations, or as required by applicable governmental requirements in connection with the operations of the Issuer or any Restricted Subsidiary (in each case, other than for an obligation for borrowed money);

(6) Acquired Debt, *provided* that, after giving effect to the Incurrence thereof, the Issuer could Incur at least U.S.$1.00 of Debt under paragraph (a) above;

(7) Debt of the Issuer or any Restricted Subsidiary outstanding on the Issue Date, other than Debt otherwise specified under any clause of this definition of Permitted Debt;

(8) Debt of the Issuer or any Restricted Subsidiary, which may include Capital Leases, Incurred on or after the Issue Date and no later than 180 days after the date of purchase or completion of construction or improvement of property for the purpose of financing all or any part of the purchase price or cost of construction or improvement, *provided* that the principal amount of any Debt incurred pursuant to this clause may not exceed at any time outstanding U.S.$125 million (or the equivalent in other currencies);

(9) Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or Debt in respect of netting services, automatic clearinghouse arrangements, overdraft protections and similar arrangements in connection with deposit accounts, in each case in the ordinary course of business;

(10) Deeply Subordinated Debt of the Issuer;

(11) Debt of the Issuer or any Restricted Subsidiary Incurred in respect of a Transmission

Tower Sale and Leaseback Transaction; and

(12) Debt of the Issuer or any Restricted Subsidiary Incurred on or after the Issue Date not otherwise permitted in an aggregate principal amount at any time outstanding not to exceed the greater of (i) U.S.$250 million (or the equivalent in other currencies) and (ii) 20% of Consolidated Net Tangible Assets.

(c) Notwithstanding any other provision of this covenant, for purposes of determining compliance with this covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Issuer or a Restricted Subsidiary may Incur under this covenant. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred or, in the case of revolving credit Debt, first committed; *provided* that if such Debt is Incurred to Refinance other Debt denominated in a foreign currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Debt does not exceed the principal amount of such Debt being Refinanced. The principal amount of any Debt Incurred to Refinance other Debt, if Incurred in a different currency from the Debt being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Debt is denominated that is in effect on the date of such Refinancing.

(d) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in this covenant, the Issuer, in its sole discretion, will classify such item of Debt and will only be required to include the amount and type of such Debt in one of such clauses and the Issuer will be entitled to divide and classify an item of Debt in more than one of the types of Debt described in this covenant, and may change the classification of an item of Debt (or any portion thereof) to any other type of Debt described in this covenant at any time.

(e) For purposes of determining compliance with, and the outstanding principal amount of, any particular Debt Incurred pursuant to and in compliance with this covenant:

(1) the outstanding principal amount of any item of Debt will be counted only once;

(2) the amount of Debt issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS; and

(3) Guarantees of, or obligations in respect of letters of credit or similar instruments relating to, Debt that is otherwise included in the determination of a particular amount of Debt will not be included.

Limitation on Restricted Payments

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments and other actions described in the following clauses being collectively "Restricted Payments"):

(1) declare or pay any dividend or make any distribution (whether made in cash, securities or other property) on the Equity Interests of the Issuer or any of its Restricted Subsidiaries, other than:

(A) dividends or distributions payable in Qualified Equity Interests of the Issuer or its Restricted Subsidiaries;

(B) dividends or distributions payable to the Issuer and or any of its Restricted Subsidiaries; or

(C) dividends or distributions made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Equity Interests of a Restricted Subsidiary, on the other hand (or on a less than *pro rata* basis to any minority holder);

(2) purchase, redeem or otherwise acquire or retire for value:

(A) any Equity Interests of the Issuer; or

(B) any Equity Interests of any Restricted Subsidiary held by an Affiliate of the Issuer (other than a Restricted Subsidiary) or any Preferred Stock of a Restricted Subsidiary, except for (x) Capital Stock held by the Issuer or a Restricted Subsidiary or (y) purchases, redemptions, acquisitions or retirements for value of Capital Stock of a Restricted Subsidiary on a *pro rata* basis from the Issuer and or any of its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;

(3) repay, redeem, repurchase, defease or otherwise acquire or retire for value, or make any payment on or with respect to, any Subordinated Debt (other than Subordinated Debt of the Issuer or any Restricted Subsidiary to the extent permitted under clause (b)(1) of the definition of "Permitted Debt") except a payment of interest or principal at Stated Maturity; or

(4) make any Investment other than a Permitted Investment;

unless, at the time of, and after giving effect to, the proposed Restricted Payment:

(i) no Default has occurred and is continuing; and

(ii) the Issuer could Incur at least U.S.$1.00 of Debt under paragraph (a) under "—Certain Covenants—Limitation on Debt"; and

(iii) the aggregate amount expended for all Restricted Payments made on or after the Issue Date would not, subject to paragraph (c), exceed the sum of:

(A) 50% of the aggregate amount of the Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of the loss) accrued on a cumulative basis during the period, taken as one accounting period, beginning on the first day of the fiscal year during which the Issue Date occurs and ending on the last day of the Issuer's most recently completed fiscal quarter for which internal financial statements are available, plus

(B) subject to paragraph (c), the aggregate net cash proceeds received by the Issuer (other than from a Subsidiary) after the Issue Date from:

(i) the issuance and sale of Qualified Equity Interests of the Issuer, including by way of issuance of its Disqualified Equity Interests or Debt to the extent since converted into or exchange for Qualified Equity Interests of the Issuer, or

(ii) any contribution to its common equity, plus

(C) an amount equal to the sum, for all Unrestricted Subsidiaries, of the following:

(x) the cash return, after the Issue Date, of Investments in an Unrestricted Subsidiary made after the Issue Date pursuant to this paragraph (a) as a result of any sale for cash, repayment, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income), plus

(y) the portion (proportionate to the Issuer's equity interest in such Unrestricted Subsidiary) of the fair market value of the assets less liabilities of an Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary,

not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments made after the Issue Date by the Issuer and its Restricted Subsidiaries in such Unrestricted Subsidiary pursuant to this paragraph (a), plus

(D) the cash return, after the Issue Date, on any other Investment made after the Issue Date pursuant to this paragraph (a), as a result of any sale for cash, repayment, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income), not to exceed the amount of such Investment so made.

The amount expended in any Restricted Payment, if other than in cash, will be deemed to be the fair market value of the relevant non-cash assets, as determined in good faith by the Board of Directors of the Issuer whose determination will be conclusive and evidenced by a Board Resolution of the Issuer.

(b) The foregoing will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof if, at the date of declaration, such payment would comply with the provisions of this covenant;

(2) dividends or distributions by a Restricted Subsidiary (other than dividends or distributions paid in respect of Disqualified Stock) payable, on a *pro rata* basis or on a basis more favorable to the Issuer, to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Issuer;

(3) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Debt with the proceeds of, or in exchange for, Refinancing Debt;

(4) (i) the purchase, redemption or other acquisition or retirement for value of Equity Interests of the Issuer or any Affiliate of the Issuer, (ii) the repayment, redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Debt of the Issuer or (iii) any Investment, in each case made in exchange for, or out of the proceeds of a substantially concurrent offering of, Qualified Equity Interests of the Issuer or any Affiliate of the Issuer to the extent contributed to the common equity of the Issuer;

(5) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of any Subordinated Debt at a purchase price not greater than (x) 101% of the principal amount thereof in the event of a change of control pursuant to a provision no more favorable to the holders thereof than "—Repurchase of Notes upon a Change of Control" or (y) 100% of the principal amount thereof in the event of an Asset Sale pursuant to a provision no more favorable to the holders thereof than "—Limitation on Asset Sales," *provided* that, in each case, the Issuer has complied or is simultaneously complying with "—Certain Covenants—Repurchase of Notes upon a Change of Control" and "—Certain Covenants —Limitation on Asset Sales," as applicable; or

(6) Restricted Payments not otherwise permitted (i) in an aggregate amount not to exceed U.S.$50 million (or the equivalent in other currencies), and (ii) solely in relation to the payment by the Issuer of dividends or distributions contemplated under (a)(1) in an aggregate amount not to exceed U.S.$50 million in 2016 and U.S.$15 million in any other fiscal year;

provided that, in the case of clauses (4), (5) and (6), no Default has occurred and is continuing or would occur as a result thereof.

(c) Proceeds of the issuance of Qualified Equity Interests will be included under clause (a)(3) of this covenant only to the extent they are not applied as described in clause (4), of paragraph (b). Restricted Payments permitted pursuant to clause (3), (4) or (5) of paragraph (b) will not be included in making the calculations under clause (a)(3) of this covenant.

(d) For purposes of determining compliance with this covenant, in the event that a Restricted Payment permitted pursuant to this covenant or a Permitted Investment meets the criteria of more than one of the categories of Restricted Payment described in clauses (1) through (6) above or one or more clauses of the definition of Permitted Investments, as the case may be, the Issuer shall be permitted to classify such Restricted Payment or Permitted Investment on the date it is made, or later reclassify all or a portion of such Restricted Payment or Permitted Investment, in any manner that complies with this covenant, and such Restricted Payment or Permitted Investment shall be treated as having been made pursuant to only one of such clauses of this covenant or of the definition of Permitted Investments, as the case may be. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, less any amount paid, repaid, returned, distributed or otherwise received in cash in respect of such Investment.

Anti-Layering

The Issuer will not, and will not permit any Restricted Subsidiary to, Incur any Debt that is subordinated in right of payment to other Debt of the Issuer or a Restricted Subsidiary unless such Debt is also subordinated in right of payment to the notes on substantially identical terms. This does not apply to distinctions between categories of Debt that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Debt.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or suffer to exist any Lien (other than Permitted Liens) of any nature whatsoever on any of its properties or assets, whether owned at the Issue Date or thereafter acquired to secure any Debt without effectively providing that the notes are secured on an equal and ratable basis with (or, if the obligation to be secured by the Lien is subordinated in right of payment to the notes, prior to) the Debt so secured for so long as such Debt is so secured.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) Except as provided in paragraph (b) below, the Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(1) declare or pay dividends or make any other distributions on or in respect of any Equity Interests of a Restricted Subsidiary owned by the Issuer or any other Restricted Subsidiary,

(2) pay any Debt or other obligation owed to the Issuer or any other Restricted Subsidiary,

(3) make loans or advances to, or Guarantee any Debt or other obligations of, or make any Investment in, the Issuer or any other Restricted Subsidiary, or

(4) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

(b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:

(1) existing under or by reason or any agreements in effect on the Issue Date, and any amendments, modifications, restatements, extensions, renewals, replacements or Refinancings of any of the foregoing; *provided* that the encumbrances and restrictions in the amendment, modification, restatement, extension, renewal, replacement or Refinancing are, taken as a whole, in the good faith judgment of the Issuer, no less

favorable in any material respect to the holders than the encumbrances or restrictions being amended, modified, restated, extended, renewed, replaced or Refinanced;

(2) existing under or by reason of applicable law, rule, regulation or order;

(3) existing

(A) with respect to any Person, or to the property or assets of any Person, at the time the Person is acquired by the Issuer or any Restricted Subsidiary, or

(B) with respect to any Unrestricted Subsidiary at the time it is designated or is deemed to become a Restricted Subsidiary,

which encumbrances or restrictions (i) are not applicable to any other Person or the property or assets of any other Person and (ii) were not put in place in anticipation of such event, and any amendments, modifications, restatements, extensions, renewals, replacements or Refinancings of any of the foregoing, *provided* that the encumbrances and restrictions in the amendment, modification, restatement, extension, renewal, replacement or Refinancing are, taken as a whole, in the good faith judgment of the Issuer, no less favorable in any material respect to the holders than the encumbrances or restrictions being amended, modified, restated, extended, renewed, replaced or Refinanced;

(4) of the type described in clause (a)(4) arising or agreed to in the ordinary course of business (i) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license, conveyance or similar contract, including with respect to intellectual property, (ii) that restrict in a customary manner, pursuant to provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements, the transfer of ownership interests in, or assets of, such partnership, limited liability company, joint venture or similar Person (in each case relating solely to the respective partnership, limited liability company, joint venture or similar Person) or (iii) by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of, the Issuer or any Restricted Subsidiary;

(5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, the Restricted Subsidiary that is permitted by "Certain Covenants—Limitation on Asset Sales;"

(6) contained in the terms governing any Debt if (as determined in good faith by the Board of Directors of the Issuer) (i) the encumbrances or restrictions are ordinary and customary for a financing of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer to make payments on the notes;

(7) existing under or by reason of provisions limiting the payment of dividends in the organizational documents, shareholders' agreements, joint venture agreements or similar documents of, or related to, Restricted Subsidiaries, which have been entered into in the ordinary course of business; or

(8) required pursuant to the indenture or the notes.

Repurchase of Notes upon a Change of Control

Upon the occurrence of a Change of Control, each holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.$1,000) of the holder's notes at a purchase price (the "Change of Control Payment") equal to 101% of the principal amount thereof, plus any accrued and unpaid interest (including Additional Amounts, if any) thereon to the date of purchase.

Within 30 days following any Change of Control, the Issuer shall send, by first class mail, a notice to each registered holder, with a copy to the trustee, offering to purchase the notes as described above (a "Change of

Control Offer") and, for so long as the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of the exchange so require, publish such notice as described in "—Notices" below. The Change of Control Offer will state, among other things, the purchase date, which must not be less than 30 days or more than 60 days from the date the notice is mailed, other than as may be required by law (the "Change of Control Payment Date"). The Change of Control Offer will also contain instructions and materials necessary to enable holders to tender notes pursuant to the offer.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;

(2) deposit with the paying agent funds in an amount equal to the Change of Control Payment in respect of all notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the trustee the notes so accepted, together with an Officer's Certificate stating the aggregate principal amount of notes or portions thereof being purchased by the Issuer.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by the Issuer and purchases all notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.01, Section 3.02 or Section 3.04 of the indenture, unless and until there is a default in payment of the applicable redemption price.

If only a portion of a note is purchased pursuant to a Change of Control Offer, a new note in a principal amount equal to the portion thereof not purchased will be issued in the name of the holder thereof upon cancellation of the original note (or appropriate adjustments to the amount and beneficial interests in a global note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and interest on notes purchased will cease to accrue on and after the purchase date.

The Issuer will comply with Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of notes through a Change of Control Offer, and the above procedures will be deemed modified as necessary to permit such compliance.

Other existing and future Debt of the Issuer may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that Debt be purchased upon a Change of Control. Moreover, the exercise by holders of their right to require the Issuer to purchase the notes could cause a default under such Debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer.

If a Change of Control Offer occurs, the Issuer may not have available funds sufficient to make the Change of Control Payment for all the notes that might be delivered by holders seeking to accept the Change of Control Offer. In the event the Issuer is required to purchase outstanding notes pursuant to a Change of Control Offer, the Issuer expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations it may have. However, there can be no assurance that the Issuer would be able to obtain necessary financing or that such financing will be permitted under the terms of any other Debt. See "Risk Factors—Risks Relating to the Notes—The Issuer may be unable to repurchase the notes upon a change of control."

Holders will not be entitled to require the Issuer to purchase their notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction that is not a Change of Control. The Issuer will not be required to make a Change of Control Offer following a Change of Control if a Restricted Subsidiary or a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer following a Change of Control made

by the Issuer and if such Person purchases all notes validly tendered and not withdrawn under such Change of Control Offer.

The phrase "all or substantially all," as used in the definition of "Change of Control," is subject to interpretation under applicable law, and its applicability in a given instance would depend upon the facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Issuer has occurred in a particular instance, in which case a holder's ability to obtain the benefit of these provisions could be unclear.

The provisions under the indenture relating to the Issuer's obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or amended as described in "—Amendments and Waivers."

Limitation on Asset Sales

The Issuer will not, and will not permit any Restricted Subsidiary to, make any Asset Sale unless the following conditions are met:

(1) the Issuer (or such Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of, as determined in good faith by the Board of Directors of the Issuer; and

(2) at least 75% of the consideration consists of cash or Cash Equivalents or Additional Assets or any combination of the foregoing received at closing. For purposes of this clause (2), each of the following will be deemed to be cash:

(A) any liabilities of the Issuer or such Restricted Subsidiary (other than Subordinated Debt) that are assumed by the transferee of any such assets pursuant to a customary novation agreement or other arrangement that releases the Issuer or such Restricted Subsidiary from further liability; or

(B) any securities, notes or other obligations received by the Issuer or such Restricted Subsidiary from such transferee that are, within 180 days after the consummation of the Asset Sale, converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, but only to the extent of the cash or Cash Equivalents actually received in that conversion.

(3) Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Net Cash Proceeds may be used:

(A) to permanently repay secured Debt of the Issuer or, solely in case of Asset Sales by a Restricted Subsidiary, any Debt of a Restricted Subsidiary (and in the case of a revolving credit, permanently reduce the commitment thereunder by such amount), in each case owing to a Person other than the Issuer or any Restricted Subsidiary,

(B) to acquire all or substantially all of the assets of a Cable/Telecommunications Business, or Capital Stock of another Person that thereupon becomes a Restricted Subsidiary engaged in the Cable/Telecommunications Business, or to make capital expenditures or otherwise acquire long-term assets that are to be used or useful in a Cable/Telecommunications Business of the Issuer or any of its Restricted Subsidiaries, or

(C) any combination of items (A) and (B) of this paragraph.

(4) The Net Cash Proceeds of an Asset Sale not applied pursuant to clause (3) within 365 days of the Asset Sale constitute "Excess Proceeds." Excess Proceeds of less than U.S.$30 million (or the equivalent in other currencies) will be carried forward and accumulated. When accumulated Excess Proceeds equal or exceed such amount, the Issuer must, within 30 days, make an offer to purchase (the "Asset Sale Offer") notes having a principal amount equal to:

(A) accumulated Excess Proceeds, multiplied by

(B) a fraction (x) the numerator of which is equal to the outstanding principal amount of the notes and (y) the denominator of which is equal to the outstanding principal amount of the notes and all *pari passu* Debt similarly required to be repaid, redeemed or tendered in connection with the Asset Sale,

rounded down to the nearest U.S.$1,000. The purchase price (the "Asset Sale Payment") for the notes will be 100% of the principal amount plus accrued and unpaid interest to the date of purchase.

Each notice of an Asset Sale Offer shall be mailed first class to each registered holder, with a copy to the trustee, offering to purchase the notes as described above and, for so long as the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of the exchange so require, publish such notice as described in "—Notices" below. The Asset Sale Offer will state, among other things, the purchase date, which must not be less than 30 days or more than 60 days from the date the notice is mailed, other than as may be required by law (the "Asset Sale Payment Date"). The Asset Sale Offer will also contain instructions and materials necessary to enable holders to tender notes pursuant to the offer.

On the Asset Sale Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all notes or portions thereof properly tendered and not withdrawn pursuant to the Asset Sale Offer;

(2) deposit with the paying agent funds in an amount equal to the Asset Sale Payment in respect of all notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the trustee the notes so accepted, together with an Officer's Certificate stating the aggregate principal amount of the notes or portions thereof being purchased by the Issuer.

If the Asset Sale Offer is for less than all of the outstanding notes and notes in an aggregate principal amount in excess of the purchase amount are tendered and not withdrawn pursuant to the offer, the Issuer will purchase notes having an aggregate principal amount equal to the purchase amount on a *pro rata* basis, with adjustments so that only notes in multiples of U.S.$1,000 principal amount will be purchased, *provided* that the principal amount of such tendering holder's note will not be less than U.S.$1,000. Upon completion of the Asset Sale Offer, Excess Proceeds will be reset at zero, and any Excess Proceeds remaining after consummation of the Asset Sale Offer may be used for any purpose not otherwise prohibited by the indenture.

The Issuer will comply with Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of notes through an Asset Sale Offer, and the above procedures will be deemed modified as necessary to permit such compliance.

If at any time any non-cash consideration received by the Issuer or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any non-cash consideration), the conversion or disposition will be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof will be applied in accordance with this covenant within 360 days of conversion or disposition.

The Issuer will not be required to make an Asset Sale Offer following an Asset Sale if a Restricted Subsidiary or a third party makes the Asset Sale Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to an Asset Sale Offer following an Asset Sale made by the Issuer and if such Person purchases all notes validly tendered and not withdrawn under such Asset Sale Offer.

Limitation on Transactions with Affiliates

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction (including the purchase, sale, lease or exchange of property or assets, or the

rendering of any service) with any Affiliate of the Issuer (together, "Related Persons" and each, a "Related Person"), except upon fair and reasonable terms no less favorable to the Issuer or such Restricted Subsidiary than could be obtained in a comparable arm's-length transaction with a Person that is not a Related Person.

(b) Prior to entering into any transaction (or series of transactions) with a Related Person (a "Related Party Transaction") involving aggregate payments made on or after the Issue Date, or transfers of property or services made on or after the Issue Date, in excess of U.S.$10 million (or the equivalent in other currencies) in any fiscal year, the terms of such Related Party Transaction will (1) be approved by a majority of the members of the Board of Directors of the Issuer (including a majority of the Board of Directors of the Issuer who are disinterested directors with respect to such Related Party Transaction), the approval to be evidenced by a Board Resolution of the Issuer stating that the Board of Directors of the Issuer has determined that such transaction complies with the preceding provisions, and (2) in excess of U.S.$50 million (or the equivalent in other currencies) in any fiscal year, the Issuer must obtain and deliver to the trustee a favorable written opinion, obtained by the Issuer and delivered to the trustee, from a nationally recognized (in the relevant jurisdiction) Independent Financial Advisor as to the fairness of the Related Party Transaction to the Issuer and the relevant Restricted Subsidiaries (if any) from a financial point of view.

(c) The foregoing paragraphs do not apply to:

(1) any transaction between the Issuer and any of its Restricted Subsidiaries or between Restricted Subsidiaries of the Issuer;

(2) any transaction entered into in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any joint venture or similar entity, if such transaction would constitute a Related Party Transaction solely because the Issuer or a Restricted Subsidiary owns an Equity Interest in or otherwise controls such joint venture or similar entity;

(3) any arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries purchases programming from Grupo Clarín S.A. or any of its Affiliates or successors in interest on terms and conditions, taken as a whole in the case of each such arrangement, no less favorable to the Issuer and its Restricted Subsidiaries than those which Grupo Clarín S.A. or any such Affiliate obtains in comparable transactions with similarly situated customers that are not Affiliates;

(4) any Restricted Payments permitted under "—Certain Covenants—Limitation on Restricted Payments;"

(5) payment of reasonable fees and compensation and reimbursement of expenses to, and any indemnity or insurance provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary;

(6) any issuance or sale of Equity Interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;

(7) any loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Restricted Subsidiary (A) in respect of travel, entertainment or moving-related expenses incurred in the ordinary course of business, (B) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or

office, or (C) in the ordinary course of business and (in the case of this clause (C)) not exceeding U.S.$5.0 million in the aggregate outstanding at any time;

(8) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this indenture that are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or are on terms at least as favorable as might reasonably have been obtained from a Person that is not an Affiliate of the Issuer;

(9) transactions pursuant to any agreement or instrument in effect as of the Issue Date, as amended, modified or replaced from time to time, so long as the amended, modified or new agreements, taken as a whole, are no less favorable to the Issuer and its Restricted Subsidiaries than those in effect on the Issue Date, as applicable;

(10) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly) of annual management, consulting, technical assistance, monitoring or advisory fees and related reasonable out of pocket expenses, which payments are approved by a majority of the members of the Board of Directors of the Issuer, in an aggregate amount not to exceed U.S.$10.0 million per year; and

(11) any Transmission Tower Sale and Leaseback Transaction.

Designation of Restricted and Unrestricted Subsidiaries

(a) The Board of Directors of the Issuer may designate after the Issue Date any Subsidiary, including a newly acquired or created Subsidiary, to be an Unrestricted Subsidiary if it meets the following qualifications:

(1) Such Subsidiary does not own any Capital Stock of the Issuer or any Restricted Subsidiary or hold any Debt of, or any Lien on any property of, the Issuer or any Restricted Subsidiary;

(2) At the time of the designation, the designation would be permitted under "—Certain Covenants—Limitation on Restricted Payments" (assuming the effectiveness of such designation and treating such designation as an Investment at the time of designation);

(3) To the extent the Debt of the Subsidiary is not Non-Recourse Debt, any Guarantee or other credit support thereof by the Issuer or any Restricted Subsidiary is permitted under "—Certain Covenants—Limitation on Debt" and "—Certain Covenants —Limitation on Restricted Payments;"

(4) The Subsidiary is not party to any transaction or arrangement with the Issuer or any Restricted Subsidiary that would not be permitted under "—Certain Covenants—Limitation on Transactions with Affiliates;"

(5) Neither the Issuer nor any Restricted Subsidiary will at any time, except as permitted by "—Certain Covenants—Limitation on Debt" and "—Certain Covenants—Limitation on Restricted Payments":

(A) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Debt of an Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Debt);

(B) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary; or

(C) be directly or indirectly liable for any Debt which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Debt of any Unrestricted Subsidiary;

(6) No Default or Event of Default has occurred and is continuing at the time or after giving effect to such designation; and

(7) Such Subsidiary is not a Significant Subsidiary at the time of its designation.

Once so designated the Subsidiary will remain an Unrestricted Subsidiary, subject to paragraph (b).

(b) (1) A Subsidiary previously designated an Unrestricted Subsidiary which fails to meet the qualifications set forth in paragraph (a) will be deemed to become at that time a Restricted Subsidiary, subject to the consequences set forth in paragraph (d).

(2) The Board of Directors of the Issuer may designate an Unrestricted Subsidiary to be a Restricted Subsidiary if, at the time of such designation, no Default or Event of Default has occurred and is continuing and such designation would not cause a Default.

(c) Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary:

(1) all existing Investments of the Issuer and the Restricted Subsidiaries therein (valued at the Issuer's proportional share of the fair market value of its assets less liabilities) will be deemed to have been made at that time;

(2) all existing Capital Stock or Debt of, and all Liens on property of, the Issuer or any Restricted Subsidiary held by it will be deemed Incurred at that time;

(3) all existing transactions between it and the Issuer or any Restricted Subsidiary will be deemed to have been entered into at that time; and

(4) it will cease to be subject to the provisions of the indenture as a Restricted Subsidiary.

(d) Upon an Unrestricted Subsidiary becoming, or being deemed to become, a Restricted Subsidiary:

(1) all of its Debt and Disqualified Stock or Preferred Stock will be deemed Incurred at that time for purposes of "—Certain Covenants—Limitation on Debt;"

(2) Investments therein previously charged under "—Certain Covenants—Limitation on Restricted Payments" will be credited thereunder; and

(3) it will thenceforward be subject to the provisions of the indenture as a Restricted Subsidiary.

(e) Any designation by the Board of Directors of the Issuer of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary will be evidenced to the trustee by promptly delivering to the trustee a copy of the Board Resolution of the Issuer giving effect to the designation and an Officers' Certificate certifying that the designation complied with the foregoing provisions.

(f) The designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be deemed to include the designation of all of the Subsidiaries of such Subsidiary, unless otherwise determined by the Board of Directors of the Issuer.

Limitation on Sale and Leaseback Transactions

The Issuer will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any property or asset (other than any Permitted Sale and Leaseback Transaction) unless:

(1)the Issuer and the Restricted Subsidiaries would be entitled to (a) Incur Debt in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction under clause (a) of the covenant described

above under "—Certain Covenants—Limitation on Debt" and (b) create a Lien on such property or asset to secure such Attributable Debt without equally and ratably securing the notes pursuant to the covenant described above under the caption "—Certain Covenants—Limitation on Liens," in which case, the corresponding Debt and Lien will be deemed to be incurred pursuant to those provisions; and

(2)the Issuer complies with the covenant described under the caption "—Certain Covenants—Limitation on Asset Sales" in respect of such transaction;

provided, however, that if a Covenant Suspension Event has occurred and is continuing, the Issuer or, as the case may be, the Restricted Subsidiary, will only be required to comply with the conditions set out in paragraphs 1 and 2 of the covenant described under the caption "—Certain Covenants—Limitation on Asset Sales" (which will be deemed to be in effect solely for these purposes).

Reports to Holders

For so long as any of the notes remain outstanding and constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish to the holders of the notes and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The Issuer will furnish or cause to be furnished to the trustee in electronic form (for distribution only upon the request of any holder that desires to receive the applicable reports, information or documents):

(1) within 60 calendar days after the end of each of the first, second and third quarters of the Issuer's fiscal year (commencing with the quarter ending June 30, 2016), copies of the unaudited consolidated financial statements of the Issuer and its Subsidiaries in respect of the relevant period (including a profit and loss account, balance sheet and cash flow statement), in English, setting forth in each case in comparative form the figures for the corresponding quarter in, and year-to-date portion of, the previous years, prepared in accordance with IFRS, together with a certificate signed by the person then authorized to sign financial statements on behalf of the Issuer to the effect that such financial statements are true in all material respects and present fairly in all material respects in accordance with IFRS, the consolidated financial position of the Issuer as of the end of, and the results of its operations for, the relevant quarterly period, subject to normal year-end adjustments; and

(2) within 120 calendar days after the end of each fiscal year of the Issuer (commencing with the year ended December 31, 2016), copies of the audited consolidated financial statements of the Issuer and its Subsidiaries in respect of such fiscal year (including a profit and loss account, balance sheet and cash flow statement), in English, setting forth in each case in comparative form the figures for the previous year prepared in accordance with IFRS and audited by a member firm of an internationally recognized firm of independent accountants.

Delivery of such reports, information and documents to the trustee is for informational purposes only and the trustee's receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's or any other Person's compliance with any of its covenants under the indenture or the notes (as to which the trustee is entitled to rely exclusively on Officers' Certificates).

In addition, within the time period prescribed above, the Issuer will make such information and such reports available by posting such information and reports on its website.

Reports to Trustee

The Issuer will deliver to the trustee:

(1) within 120 days after the end of each fiscal year an Officers' Certificate indicating whether the signers know of any Default that occurred during the previous fiscal year, specifying the nature of any Default and its status; and

(2) as soon as possible and in any event within 30 days after a responsible officer of the Issuer becomes aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default and the actions that the Issuer proposes to take with respect thereto.

Limitation on Consolidation, Merger or Sale of Assets

(a) The Issuer will not, in a single transaction or series of related transactions,

- consolidate with, amalgamate or merge with or into any Person; or

- sell, convey, assign, transfer, or otherwise dispose of (or cause or permit any Restricted Subsidiary to sell, convey, assign, transfer or otherwise dispose of) all or substantially all of its assets as an entirety or substantially an entirety (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries) to any Person

unless:

(1) either (x) the Issuer is the continuing Person or (y) the resulting, surviving or transferee Person is a corporation organized and validly existing under the laws of Argentina, the United States of America, any state thereof or the District of Columbia or any member country of the Organization for Economic Cooperation and Development and expressly assumes by supplemental indenture executed and delivered to the trustee, in form reasonably satisfactory to the trustee, all of the obligations of the Issuer under the indenture and the notes;

(2) immediately before and after giving effect to the transaction, no Default has occurred and is continuing;

(3) immediately after giving effect to the transaction on a pro forma basis, the Issuer or the resulting surviving or transferee Person could Incur at least U.S.$1.00 of Debt under paragraph (a) under "—Certain Covenants—Limitation on Debt"; and

(4) the Issuer delivers to the trustee an Officers' Certificate and an Opinion of Counsel, each stating that the consolidation, amalgamation, merger or transfer and the supplemental indenture (if any) comply with the indenture; and

provided, that clause (2) and (3) do not apply to (i) the consolidation, amalgamation or merger of the Issuer with or into a Restricted Subsidiary or (ii) the consolidation, amalgamation or merger of a Restricted Subsidiary with or into the Issuer.

(b) The Issuer shall not lease all or substantially all of its assets, whether in one transaction or a series of transactions, to one or more other Persons, except as permitted under "—Certain Covenants—Limitation on Sale and Leaseback Transactions."

(c) Upon the consummation of any transaction effected in accordance with these provisions, if the Issuer is not the continuing Person, the resulting, surviving or transferee Person will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the indenture and the notes with the same effect as if such successor Person had been named as the Issuer in the indenture. Upon such substitution, except in the case of a sale, conveyance, transfer or disposition of less than all its assets, the Issuer will be released from its obligations under the indenture and the notes.

Additional Covenants

Line and Conduct of Business

The Issuer will not, and will not permit any of its Restricted Subsidiaries, to engage in any business other than the Cable/Telecommunications Business, except to an extent that so doing would not be material to the Issuer and its Restricted Subsidiaries, taken as a whole.

Maintenance of Ratings

The Issuer shall, for so long as any notes are outstanding, use commercially reasonable efforts to maintain ratings on the notes from at least two Rating Agencies.

Maintenance of Office or Agency

The Issuer will maintain in each of the City of Buenos Aires and in each place of payment specified for the notes, an office or agency where the notes may be presented or surrendered for payment, registration of transfer or exchange and where notices and demands to or upon the Issuer in respect of the notes and the indenture may be served.

Maintenance of Existence

The Issuer will, and will cause each of its Restricted Subsidiaries to, (a) maintain in effect its corporate existence and all registrations necessary therefor and (b) take all reasonable actions to maintain all rights, privileges, titles to property, franchises and similar entitlements necessary or desirable in the normal conduct of its and its Restricted Subsidiaries' business, activities or operations; *provided* that this covenant shall not prohibit any transaction by the Issuer or any of its Restricted Subsidiaries otherwise permitted under the covenant described in "—Certain Covenants—Limitation on Consolidation, Merger or Sale of Assets" and this covenant will not require the Issuer to maintain any such right, privilege, title to property, franchise or similar entitlement, or to preserve the corporate existence of any Restricted Subsidiary, if the Issuer's Board of Directors determines in good faith that (i) the maintenance or preservation thereof is no longer necessary or desirable in the conduct of the Issuer and its Subsidiaries' business taken as a whole and (ii) the loss thereof is not, and will not be, adverse in any material respect to the holders of the notes.

Licenses and Other Permits

The Issuer will, and will cause each of its Restricted Subsidiaries to, (a) obtain and maintain in force (or where appropriate, promptly renew) all licenses, permits, registrations, approvals, authorizations, or consents necessary or advisable for carrying out its business and operations generally, and (b) perform and observe all the conditions and restrictions contained in, or imposed on, the Issuer and each of its Restricted Subsidiaries by, any such licenses, permits, registrations, approvals, authorizations, or consents, except where failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Notices

Notices to holders of notes will be mailed to them at their registered addresses.

In addition, for so long as any notes are listed on the MERVAL and traded on the MAE, the Issuer will publish all notices in the Bulletin of the BCBA in the City of Buenos Aires, Argentina, as provided by the MERVAL rules from time to time, in the on-line bulletin of the MAE, and in a widely circulated newspaper in Argentina.

In addition, for so long as any notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish all notices to holders in English in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be the *Luxemburger Wort*); or if such Luxembourg publication is not practicable, the Issuer may publish notices to holders via the website of the Luxembourg Stock Exchange at http://www.bourse.lu, *provided* that such method of publication satisfies the rules of such exchange.

The Issuer will also be required to cause all such other publications of such notices as may be required from time to time in any manner by the provisions of the Negotiable Obligations Law, the Argentine Capital Markets Law, the CNV Rules and by any applicable Argentine law (including without limitation publishing notices at the official site of the CNV (www.cnv.gob.ar)).

Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication.

Default and Remedies

Events of Default

An "Event of Default" occurs if:

(1) the Issuer defaults in the payment when due of the principal of or premium, if any, on any note when the same becomes due and payable at maturity, upon acceleration or otherwise, including the failure to make a required payment to purchase notes tendered pursuant to an optional redemption, Change of Control Offer or an Asset Sale Offer;

(2) the Issuer defaults in the payment of interest (including any Additional Amounts) on any note when the same becomes due and payable at maturity, upon acceleration or otherwise, and the default continues for a period of 30 days;

(3) the Issuer fails to comply with "—Certain Covenants—Limitation on Consolidation, Merger or Sale of Assets;"

(4) the Issuer defaults in the performance of or breaches any other covenant or agreement contained in the indenture or under the notes, and the default or breach continues for a period of 60 consecutive days after written notice to the Issuer by the trustee or to the Issuer and the trustee by the holders of 25% or more in aggregate principal amount of the outstanding notes;

(5) there occurs with respect to any Debt of the Issuer or any of its Significant Subsidiaries having an outstanding principal amount of U.S.$30 million (or the equivalent in other currencies) or more in the aggregate for all such Debt of all such Persons (i) an event of default that results in such Debt being due and payable prior to its scheduled maturity or (ii) a default caused by a failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period;

(6) one or more final and non-appealable judgments or orders for the payment of money are rendered against the Issuer or any of its Significant Subsidiaries and are not paid or discharged (and are not covered by adequate insurance by a solvent insurer of national or international reputation that has acknowledged its obligations in writing), and there is a period of 60 consecutive days following entry of the final and non-appealable judgment or order (or 30 consecutive days, in the event that an enforcement proceeding is commenced upon the entry of such judgment or order) that causes the aggregate amount for all such final and non-appealable judgments or orders outstanding and not paid or discharged against all such Persons to exceed U.S.$30 million (or the equivalent in other currencies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) a distress, attachment, execution, seizure before judgment or other legal or extrajudicial process is levied, enforced on or against any part of the property, assets or revenues of the Issuer or any of its Restricted Subsidiaries, which, if executed or consummated, would have a Material Adverse Effect on the Issuer's ability to make scheduled

principal and interest payments on the notes, unless (a) such distress, attachment, execution, seizure before judgment or other legal or extrajudicial process is discharged or stayed within 90 days of notice to the Issuer or such Restricted Subsidiary, as the case may be, or (b) if such distress, attachment, execution, seizure before judgment or legal or extrajudicial process shall not have been discharged or stayed within such 90-day period, the Issuer or such Restricted Subsidiary, as the case may be, shall have contested in good faith by appropriate proceedings such distress, attachment, execution, seizure before judgment or legal process; *provided* that if such distress, attachment, execution, seizure before judgment or legal process shall not have been discharged or stayed within 365 days of notice to the Issuer or such Significant Subsidiary, as the case may be, the Issuer or such Significant Subsidiary shall have posted a bond or other appropriate collateral which shall have substituted such distress, attachment, execution, seizure before judgment or other legal or extrajudicial process within such time period;

(8) the Issuer or any of its Significant Subsidiaries shall, after the Issue Date, (A) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors pursuant to a *concurso preventivo de acreedores*, (B) seek approval of its creditors for an *acuerdo preventivo extrajudicial* impairing the notes through any means, including the distribution of an offering circular or similar disclosure materials to creditors in connection with such *acuerdo preventivo extrajudicial*, (C) file for court endorsement of an *acuerdo preventivo extrajudicial* impairing the notes, (D) apply for or consent to the appointment (in a similar court proceeding) of a receiver, trustee, liquidator or the like for itself or its property or (E) make a general assignment for the benefit of its creditors;

(9) any order, judgment or decree shall be entered by any court of competent jurisdiction to effect any bankruptcy, reorganization, dissolution, winding up, liquidation, the appointment of a trustee, a receiver, liquidator or the like of the Issuer or any of its Significant Subsidiaries or of all of the assets thereof or other like relief in respect of the Issuer or any of its Significant Subsidiaries under any applicable bankruptcy or insolvency law, and such order, judgment or decree remains unstayed and in effect for a period of 60 consecutive days;

(10) any condemnation, seizure, compulsory purchase or expropriation, or taking into custody or control, by any governmental authority or agency of assets or Capital Stock of the Issuer or any of its Restricted Subsidiaries which, in the aggregate, would be likely to have a Material Adverse Effect; or

(11) it becomes unlawful for the Issuer or any of its Restricted Subsidiaries to perform any of their obligations under the indenture or the notes, or any payment obligations of the Issuer or any Restricted Subsidiary thereunder ceases to be valid, binding or enforceable or the binding effect or enforceability thereof is contested by the Issuer, or the Issuer denies that it has any further liability or obligation thereunder or in respect thereof (other than in accordance with the terms of the indenture).

Consequences of an Event of Default

If an Event of Default, other than a default described under (8) or (9), occurs and is continuing under the indenture, the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding, by written notice to the Issuer (and to the trustee if the notice is given by the holders), may, and the trustee at the request of such holders shall, declare the principal of and accrued interest on the notes to be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in (5) above has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to paragraph (5) above shall be remedied or cured by the Company and/or the relevant Subsidiaries or waived by the holders of the relevant Indebtedness within 30 days after the declaration of acceleration with respect thereto. Upon a declaration of acceleration, such principal and interest will become immediately due and payable. If a default occurs as described under (8) or (9), the principal of and accrued interest on the notes then outstanding will become immediately due and payable without any declaration or other act on the part of the trustee or any holder.

The holders of a majority in principal amount of the outstanding notes may, by written notice to the Issuer and to the trustee, waive all past Defaults and rescind and annul a declaration of acceleration and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest (including Additional Amounts) on the notes that have become due solely by the declaration of acceleration, have been cured or waived, and

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

provided that the unanimous affirmative vote of each Holder of an Outstanding Note affected thereby shall be required to adopt a valid decision on a Default or Event of Default in the payment of principal of, premium, if any, on or interest on the Notes or in respect of a covenant or provision that cannot be modified or amended without such unanimous affirmative vote of the Holders of the Notes as provided in "Amendments With Unanimous Consent of Holders

Except as otherwise provided in "—Consequences of an Event of Default" or "—Amendments and Waivers—Amendments with Consent of Holders," the holders of a majority in principal amount of the outstanding notes may, by written notice to the trustee, waive an existing Default and its consequences. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

The holders of a majority in principal amount of the outstanding notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. However, the trustee may refuse to follow any direction that conflicts with law or the indenture, that may involve the trustee in personal liability, or that the trustee determines in good faith may be unduly prejudicial to the rights of holders of notes not joining in the giving of such direction, and may take any other action it deems proper that is not inconsistent with any such direction received from holders of notes.

A holder may not institute any proceeding, judicial or otherwise, with respect to the indenture or the notes, or for the appointment of a receiver or trustee, or for any other remedy under the indenture or the notes, unless:

(1) the holder has previously given to the trustee written notice of a continuing Event of Default;

(2) holders of at least 25% in aggregate principal amount of outstanding notes have made written request to the trustee to institute proceedings in respect of the Event of Default;

(3) holders have offered and provided to the trustee indemnity and/or security reasonably satisfactory to the trustee against any costs, liabilities or expenses to be incurred in compliance with such request;

(4) the trustee for 60 days after its receipt of such notice, request and offer of indemnity and/or security has failed to institute any such proceeding; and

(5) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding notes have not given the trustee a direction that is inconsistent with such written request;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes, or to obtain or to seek to obtain priority or preference over any other Holders of Notes or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Notes.

Notwithstanding anything to the contrary, the right of a holder of a note to receive payment of principal of or interest on its note on or after the Stated Maturities thereof, or to bring suit for the enforcement of any such payment on or after such dates (including any "*acción ejecutiva individual*" pursuant to Article 29 of the Negotiable Obligations Law), may not be impaired or affected without the consent of that holder. To that effect, any beneficial owner of global notes will have the right to obtain evidence of its beneficial ownership interest in a global note in accordance with Section 129 of the Argentine Capital Markets Law (including for initiating summary proceedings (*acción ejecutiva*) in the manner provided by the Negotiable Obligations Law), and for such purposes, such

beneficial owner will be treated as the owner of that portion of the global note which represents its beneficial ownership interest therein.

If any Default occurs and is continuing and a responsible officer of the trustee has received written notice of such Default, the trustee will send notice of the Default to each holder within 90 days after it occurs, unless the Default has been cured; *provided* that, except in the case of a default in the payment of the principal of or interest on any note, the trustee may withhold the notice if and so long as the board of directors, the executive committee or a trust committee of directors of the trustee in good faith determine that withholding the notice is in the interest of the holders.

A Default under the notes, unless cured or waived, could trigger a default under certain of the Issuer's existing or future debt agreements.

No Personal Liability of Directors, Officers, Employees, Incorporators, Members or Stockholders

Except as specifically provided under Argentine law, no director, officer, employee, incorporator, member or stockholder of the Issuer, as such, will have any liability for any obligations of the Issuer under the notes or the indenture or for any claim based on, in respect of, or by reason of, such obligations. Each holder of notes by accepting a note waives and releases all such liability. This waiver may not be effective to waive liabilities under Article 34 of the Negotiable Obligations Law, Article 54 of the General Corporations Law, Sections 119 and 120 of the Argentine Capital Markets Law and other applicable Argentine regulations, or under federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Currency Indemnity

This is an international debt issuance transaction in which the specification of U.S. dollars and payment in New York City is of the essence. The Issuer's obligations under the notes and the indenture to the trustee and the holders of the notes to make payment in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place, except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency the payee may, in accordance with normal banking procedures, purchase U.S. dollars in the amount originally due with the judgment currency. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due under the notes and the indenture in U.S. dollars into another currency (referred to in this paragraph as the "judgment currency"), the rate of exchange shall be that at which, in accordance with normal banking procedures, such payee could purchase such U.S. dollars in New York, New York with the judgment currency on the Business Day immediately preceding the day on which such judgment is rendered. The Issuer's obligation in respect of any such sum due under the notes and the indenture shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by the relevant payee of any sum adjudged to be due under the notes and the indenture in the judgment currency the relevant payee may, in accordance with normal banking procedures, purchase and transfer dollars to New York City with the amount of the judgment currency so adjudged to be due (giving effect to any set-off or counterclaim taken into account in rendering such judgment). Accordingly, the Issuer hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify each of the holders of the notes and the trustee against, and to pay on demand, in U.S. dollars, the amount by which the sum originally due to the holders of the notes or the trustee in U.S. dollars under the notes and the indenture exceeds the amount of the U.S. dollars so purchased and transferred.

The Issuer agrees that, notwithstanding any restriction or prohibition on access to the foreign exchange market (*Mercado Único y Libre de Cambios*, or "MULC") in Argentina, any and all payments to be made under the notes and the indenture will be made in U.S. dollars. Nothing in the notes and the indenture shall impair any of the rights of the holders of the notes or the trustee or justify the Issuer in refusing to make payments under the notes and the indenture in U.S. dollars for any reason whatsoever, including, without limitation, any of the following: (i) the purchase of U.S. dollars in Argentina by any means becoming more onerous or burdensome for the Issuer than as of the date hereof and (ii) the exchange rate in force in Argentina increasing significantly from that in effect as of the date hereof. The Issuer waives the right to invoke any defense of payment impossibility (including any defense under Section 1091 of the Argentine Civil and Commercial Code), impossibility of paying in U.S. dollars (assuming

liability for any force majeure or act of God), or similar defenses or principles (including, without limitation, equity or sharing of efforts principles).

In the event that, on any payment date in respect of notes denominated in U.S. dollars, any restriction (including *de facto* restrictions) or prohibition to access the MULC in Argentina exists, the Issuer will seek to pay all amounts payable under the notes in U.S. dollars either (i) by purchasing at market price securities of any series of U.S. dollar-denominated Argentine sovereign bonds or any other securities or private or public bonds issued in Argentina, and transferring and selling such instruments outside Argentina for U.S. dollars, to the extent permitted by applicable law, or (ii) by any other reasonable means permitted by law in Argentina, in each case, on such payment date. All costs and taxes payable in connection with the procedures referred to in (i) and (ii) above shall be borne by the Issuer.

Amendments and Waivers

Amendments without Consent of Holders

The Issuer and the trustee, upon the trustee's receipt of an Officers' Certificate confirming compliance with the requirements of the indenture, may amend or supplement the indenture or the notes without notice to or the consent of any holder:

(1) to cure any ambiguity, defect or inconsistency in the indenture or the notes in a manner that is not materially adverse to the rights of the holders of notes;

(2) to comply with "—Certain Covenants—Limitation on Consolidation, Merger or Sale of Assets," including to provide for the assumption by a successor of the obligations of the Issuer;

(3) to evidence and provide for the acceptance of an appointment by a successor trustee under the indenture;

(4) to provide for any Guarantee of the notes, to secure the notes or to confirm and evidence the release, termination or discharge of any Guarantee of or Lien securing the notes when such release, termination or discharge is permitted by the indenture;

(5) to provide for or confirm the issuance of Additional Notes;

(6) to comply with any requirement of the CNV, MERVAL or MAE;

(7) to make any other change that does not materially or adversely affect the rights of any holder;

(8) to conform any provision of the indenture or the notes to this "Description of the Notes;"

(9) to add further covenants, restrictions, conditions or provisions as are for the benefit of the holders; or

(10) to surrender any right or power conferred upon the Issuer.

Amendments with Consent of Holders

(a) Except as otherwise provided in "—Default and Remedies—Consequences of an Event of Default" or paragraph (b), the Issuer and the trustee, upon the trustee's receipt of an Officer's Certificate and an Opinion of Counsel confirming compliance with the requirements of the indenture and the notes, may amend the indenture and the notes with the consent of the holders of a majority in principal amount of the outstanding notes, and the holders of a majority in principal amount of the outstanding notes may waive future compliance by the Issuer or a Restricted Subsidiary with any provision of the indenture or the notes.

(b) Notwithstanding the provisions of paragraph (a), without the unanimous consent of the holders affected, an amendment, supplement or waiver may not:

(1) reduce the principal amount of or change the Stated Maturity of any installment of principal of any note,

(2) reduce the rate of or change the Stated Maturity of any interest payment on any note,

(3) amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated,

(4) make any note payable in money other than that stated in the note or change the place at which any note is payable,

(5) impair the right of any holder of notes to receive any principal payment or interest payment on such holder's notes, on or after the Stated Maturity thereof, or to institute suit for the enforcement of any such payment,

(6) reduce the principal amount of the notes required for amendments or waivers, or modify any provisions of the indenture relating to meetings of holders of the notes (except to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each note adversely affected thereby),

(7) modify or change any provision of the indenture affecting the ranking of the notes in a manner adverse to the holders of the notes, or

(8) make any change in the provisions of the indenture described under "—Additional Amounts" that adversely affects the rights of any holder or amend the terms of the notes in a way that would result in a loss of exemption from any applicable taxes.

(9) modify or change the governing law of the notes or the applicable jurisdiction for actions in connection with the indenture.

Pursuant to the Negotiable Obligations Law, approval of any amendment, supplement or waiver by the holders requires the consent of such holders to be obtained pursuant to a meeting of holders of notes held in accordance with the provisions described under "—Meetings of Holders." It is not necessary for holders to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

The trustee shall not be obligated to enter into any amendment that adversely affects its own rights, duties or immunities under the indenture.

Meetings of Holders

A meeting of the holders of notes may be called by the Issuer's Board of Directors or supervisory committee (*órgano de fiscalización*), the trustee or upon the request of the holders of at least 5% in principal amount of the outstanding notes.

Meetings of holders of the notes will be held in accordance with the Negotiable Obligations Law. Meetings may be ordinary or extraordinary. Any proposed amendment to the terms and conditions of the notes shall be dealt with at an extraordinary meeting. Meetings of holders will be held in the City of Buenos Aires, Argentina. In any case, meetings shall be held at such time and at such place as the Issuer, the holders of the notes or the trustee shall determine. Any resolution passed at a meeting approved with the requisite vote shall be binding on all holders, as the case may be (whether present or not at such meeting).

If a meeting is being held pursuant to a request of the holders of the notes, the agenda for the meeting shall be as determined in the request and such meeting shall be convened within 40 days from the date such request is received by the trustee or the Issuer, as the case may be.

Notice of any meeting of holders of notes (which will include the date, place and time of the meeting, the agenda there for and the requirements for attendance) shall be given as set forth under "—Notices" not less than 10 nor more than 30 days prior to the date fixed for the meeting and will be published at the Issuer's expense for five Business Days in Argentina in the Official Gazette of Argentina (*Boletín Oficial*), in a newspaper of general circulation in Argentina, in the Bulletin of the BCBA, in accordance with the delegation of powers of the MERVAL set forth in Resolution No. 17,501 of the CNV (as long as the notes are listed on the MERVAL), in the Bulletin of the MAE (as long as the notes are traded on the MAE) and on the website of the Luxembourg Stock Exchange (http://www.bourse.lu) (as long as the notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) or such other informative systems of the markets in which the notes are listed as is applicable. Meetings of holders may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than eight days prior to the date fixed for such new meeting and will be published for three Business Days in the Official Gazette of Argentina, a newspaper of general circulation in Argentina, the Bulletin of the BCBA (as long as the notes are listed on the MERVAL), the Bulletin of the MAE (as long as the notes are listed on the MAE) and on the website of the Luxembourg Stock Exchange (http://www.bourse.lu) (as long as the notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) or such other informative systems of the markets in which the notes are listed, as is applicable.

To be entitled to vote at a meeting of holders, a person shall be (i) a holder of one or more notes as of the relevant record date or (ii) a person appointed by an instrument in writing as proxy by such a holder of one or more notes. The quorum at any ordinary meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the outstanding notes and at any reconvened adjourned ordinary meetings will be any person(s) present at such reconvened adjourned meeting.

The quorum at any extraordinary meeting called to adopt a resolution will be persons holding or representing at least 60% in aggregate principal amount of the outstanding notes and at any reconvened adjourned extraordinary meeting will be persons holding or representing at least 30% in aggregate principal amount of the outstanding notes. At a meeting or a reconvened adjourned meeting duly convened and at which a quorum is present, any resolution to modify or amend, or to waive compliance with, any provision of the notes (other than the provisions referred to in the fourth preceding paragraph) will be validly passed and decided if approved by the persons entitled to vote a majority in aggregate principal amount of the notes then outstanding represented and voting at the meeting. Any instrument given by or on behalf of any holder of a note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such note. Any modifications, amendments or waivers to the indenture or to the notes with the required vote will be conclusive and binding upon all holders of notes whether or not they have given such consent or were present at any meeting, and on all notes.

The Issuer will designate or, in the case of any notes issued under the indenture, the trustee will designate the record date for determining the holders of notes entitled to vote at any meeting and the Issuer will provide notice to holders of notes in the manner set forth herein. The holder of a note may, at any meeting of holders of notes at which such holder is entitled to vote, cast one vote for each U.S. dollar in principal amount of the notes held by such holder in which such notes are denominated.

For the purposes of clarification, holders of notes may take such actions outside of Argentina in any other manner permitted by New York law (such as via written consent); however, no such action will be valid under Argentine law until it has been ratified by a meeting of holders (or their representatives) held in the City of Buenos Aires in accordance with the Negotiable Obligations Law as described above. As a result, the ability of holders to take actions under the indenture and/or the notes, including actions after the occurrence of a Default, will be affected by these requirements.

For purposes of the above, any note authenticated and delivered pursuant to the indenture will, as of any date of determination, be deemed to be "outstanding," except:

(i) notes theretofore canceled by the trustee or delivered to the Issuer or the trustee for cancellation;

(ii) notes that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with the paying agent; or

(iii) notes in lieu of or in substitution for which other notes have been authenticated and delivered;

provided, however, that in determining whether the holders of the requisite principal amount of outstanding notes are present at a meeting of holders of notes for quorum purposes or have consented to or voted in favor of any notice, consent, waiver, amendment, modification or supplement under the indenture, notes owned directly or indirectly by the Issuer or any of the Issuer's Affiliates, including any Restricted Subsidiary, will be disregarded and deemed not to be outstanding.

Promptly after the execution by the Issuer and the trustee of any supplement or amendment to the indenture, the Issuer will give notice thereof to the holders of the notes issued under the indenture and, if applicable, to the CNV, the MERVAL and the MAE, setting forth in general terms the substance of such supplement or amendment. If the Issuer fails to give such notice to the holders of the notes within 15 days after the execution of such supplement or amendment, the trustee will give notice to the holders at the Issuer's expense. Any failure by the Issuer or the trustee to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment.

In the event that the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market or listed on any other securities exchange, such meetings of holders and notices thereof will also comply with the applicable rules of the Luxembourg Stock Exchange or such other securities exchange, as applicable.

Defeasance and Discharge

The Issuer, at its option,

(1) will be discharged from any and all obligations in respect of the notes (except for certain obligations, including to register the transfer or exchange of notes, replace stolen, lost or mutilated notes, maintain paying agencies and hold moneys for payment in trust), or

(2) need not comply with certain covenants of the Indenture, if the Issuer irrevocably deposits with the trustee, in trust

(a) money,

(b) in certain cases, U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount, or

(c) a combination thereof,

in each case, sufficient (without reinvestment) in the opinion of a certified public accounting firm to pay and discharge (without reinvestment) the principal of each installment of principal and interest, if any, on the outstanding notes on the dates such payments are due, in accordance with the terms of the notes, to and including the redemption date irrevocably designated by the Issuer pursuant to the final sentence of this section on the day on which payments are due and payable in accordance with the terms of the Indenture and of the notes; and no Default

or Event of Default (including by reason of such deposit) shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date.

To exercise any such option, the Issuer is required to deliver to the trustee

(x) an opinion of recognized U.S. counsel independent of the Issuer to the effect that:

(i) the holders of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, which in the case of clause (1) above must be based on a change in law or a ruling by the U.S. Internal Revenue Service, and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred; and

(ii) the defeasance trust is not, or is not required to be registered as, an investment company under the Investment Company Act of 1940; and

(y) an Opinion of Counsel and an Officers' Certificate as to compliance with all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the notes.

If the Issuer has deposited or caused to be deposited money or U.S. Government Obligations to pay or discharge the principal of (and premium, if any) and interest, if any, on the outstanding notes to and including a redemption date on which all of the outstanding notes are to be redeemed, such redemption date shall be irrevocably designated by a resolution of each of the Board of Directors of the Issuer delivered to the trustee on or prior to the date of deposit of such money or U.S. Government Obligations and such resolutions shall be accompanied by an irrevocable request from the Issuer that the trustee give notice of such redemption in the name and at the expense of the Issuer not less than 30 nor more than 60 days prior to such redemption date in accordance with the Indenture.

Registration and Book-Entry System

The notes were issued in fully registered form without interest coupons. Notes offered and sold in reliance on Regulation S under the Securities Act were represented by a single, permanent global note in definitive, fully registered book-entry form without interest coupon (the "Regulation S global note"), which were deposited with the trustee as custodian for, and registered in the name of a nominee of, DTC and deposited for credit to an account of a direct or indirect participant of DTC, including Euroclear and Clearstream, as described below.

Notes sold in reliance on Rule 144A under the Securities Act were represented by one or more permanent global notes in definitive, fully registered book-entry form without interest coupons (each a "restricted global note" and, together with the Regulation S global note, the "global notes") and were deposited with the trustee as custodian for, and registered in the name of a nominee of, DTC and deposited for credit to an account of a direct or indirect participant of DTC as described below.

Each global note is subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC ("participants"), or persons who hold interests through participants. Ownership of beneficial interests in a global note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, or its nominees (with respect to interests of participants), and the records of participants (with respect to interests of persons other than participants).

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC, or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global note for all purposes under the indenture. No beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), in addition to those provided for under the indenture.

Payments made with respect to a global note will be made to DTC, Euroclear and/or Clearstream, as applicable, or their nominees, as the registered owner thereof.

Neither we, the trustee, nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that DTC, or its nominee, upon receipt of any payment in respect of the global notes, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC, or its nominee. We also expect that payments by the participants and indirect participants to owners of beneficial interests in such global note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants and will not be our responsibility or the responsibility of DTC or the trustee.

Subject to compliance with the transfer restrictions applicable to the global notes, transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

Transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

We expect that DTC, Euroclear and/or Clearstream, as applicable, will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account the interest in a global note is credited and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction.

We understand that DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants thereby eliminating the need for physical movement of certificates and certain other organizations. Indirect access to the DTC system is available to others such as banks, securities brokers and dealers and trust companies that clear through or maintain a custodial relationship with a participant either directly or indirectly.

We understand that investors in the global notes may hold their interests directly through DTC, if they are participants in such system, or indirectly through organizations (including Euroclear and Clearstream) that are participants or indirect participants in such system. Euroclear and Clearstream will hold interests in the notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. The depositaries, in turn, will hold interests in the notes in customers' securities accounts in the depositaries' names on the books of DTC. Euroclear and Clearstream will facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes to the accounts of such participants. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, test companies and certain other organizations. Indirect access to Euroclear and/or Clearstream is also available to others, such as banks, securities brokers and dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear and/or Clearstream participant, either directly or indirectly.

Subject to compliance with the transfer restrictions applicable to the global notes, cross-market transfers between the participants in DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other will be effected through DTC in accordance with DTC's rules and procedures on behalf of Euroclear or Clearstream, as the case may be, by their depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines of such system. Euroclear or

Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the global notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a global note among participants of DTC, Euroclear and Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of us, the trustee or any paying agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

All interests in a global note, including those held through Euroclear or Clearstream, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream will also be subject to the procedures and requirements of these systems. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Such laws may impair the ability to transfer beneficial interests in the notes to such persons.

Trustee, Registrar, Paying Agent and Transfer Agent for the Notes

Deutsche Bank Trust Company Americas is the trustee under the indenture. The principal office of the trustee is at 60 Wall Street, 16th Floor, New York, New York. The trustee will initially act as registrar and New York paying agent and transfer agent. So long as the notes are authorized for their public offer in Argentina and the rules of the CNV or other applicable Argentine law so require, or are listed on the MERVAL or admitted to trading on the MAE and the rules of the MERVAL, or of the MAE, as the case may be, so require, the Issuer will maintain a paying agent, a transfer agent, a registrar and a representative in the City of Buenos Aires. In addition, in the event that the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, for so long as the notes are listed on such exchange, the Issuer will also maintain a paying agent in Luxembourg. The Issuer may change the registrar, co-registrar, paying agents or transfer agents without prior notice to the holders of the notes, and the Issuer or any of its Subsidiaries may act as registrar, paying agent or transfer agent. Any change in respect of such agents will be published in accordance with "—Notices" and notified to the CNV, MERVAL and the MAE.

Except during the continuance of an Event of Default, the trustee need perform only those duties that are specifically set forth in the indenture, and no implied covenants or obligations will be read into the indenture against the trustee. In case an Event of Default has occurred and is continuing, the trustee shall exercise those rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. No provision of the indenture will require the trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity and/or security satisfactory to it against any loss, liability or expense.

The indenture contains limitations on the rights of the trustee, should it become a creditor of any obligor on the notes, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any

such claim as security or otherwise. The trustee is permitted to engage in other transactions with the Issuer and its Affiliates; *provided* that if it acquires any conflicting interest it must eliminate the conflict within 90 days.

Governing Law, Consent to Jurisdiction, Currency Conversion and Service of Process

The indenture and the notes are governed by, and will be construed in accordance with, the law of the State of New York; *provided* that the Negotiable Obligations Law governs the requirements for the notes to qualify as *obligaciones negociables* thereunder while such law, together with Argentine Law No. 19,550, as amended, the Argentine Capital Markets Law, the CNV Rules and other applicable Argentine laws and regulations, govern the capacity and corporate authorization of the Issuer to execute and deliver the notes, the authorization of the CNV for the public offering of the notes in Argentina and certain matters in relation to meetings of holders.

The Issuer has submitted to the non-exclusive jurisdiction of the New York State and U.S. federal courts located in the Borough of Manhattan, New York City (the "Specified Courts") with respect to any action that may be brought in connection with the indenture or the notes and has appointed CT Corporation System as agent for service of process.

If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder to the holder of a note from U.S. dollars into another currency, the Issuer has agreed, and each holder by holding such note will be deemed to have agreed, to the fullest extent that the Issuer may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such holder could purchase U.S. dollars with such other currency in New York City, New York on the day that is two Business Days preceding the day on which final judgment is given.

Claims against the Issuer for the payment of principal and interest, premium, if any, or other amounts due on the notes (including Additional Amounts) must be made within five years, with respect to principal, and two years, with respect to interest, premium, if any, or other amounts due on the notes (including Additional Amounts), in each case from the date on which such payment first became due, or a shorter period if provided by law.

Waiver of Immunity

To the extent that the Issuer or any of its properties, assets or revenues may have or may hereafter become entitled to, in any jurisdiction in which any Specified Court is vested, or have attributed to the Issuer, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or from counterclaim, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment in any Specified Court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Issuer, or any other matter under or arising out of or in connection with, the notes or the indenture, the Issuer irrevocably and unconditionally waives or will waive such right, and agrees not to plead or claim any such immunity and consents to such relief and enforcement; *provided* that if the Argentine courts determine that any of the Issuer's properties located in Argentina is necessary for the provision of an essential public service, such property might not be subject to attachment, whether preliminarily or in aid of execution.

Listing

The Issuer intends to apply to list the notes on the Luxembourg Stock Exchange for trading on the Euro MTF Market, to list the notes on the MERVAL and to trade the notes on the MAE. If the admission of the notes to the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange would, in the future, require the Issuer to publish financial information either more regularly than it would otherwise be required to, or requires the Issuer to publish separate financial information, or if the listing, in the judgment of the Issuer, is unduly burdensome, the Issuer may seek an alternative admission to listing, trading and/or quotation for the notes by another listing authority, stock exchange and/or quotation system. If such alternative admission to listing, trading and/or quotation of the notes is not available to the Issuer or is, in the Issuer's commercially reasonable judgment, unduly burdensome, an alternative admission to listing, trading and/or quotation of the notes may not be obtained.

Certain Definitions

"Acquired Debt" means Debt of a Person existing at the time the Person merges with or into or becomes a Restricted Subsidiary and not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary. Acquired Debt will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Issuer or a Restricted Subsidiary or at the time such Debt is assumed in connection with the acquisition of assets from such Person.

"Additional Amounts" has the meaning set forth under "—Additional Amounts" above.

"Additional Assets" means:

(1) any property or assets (other than Debt and Capital Stock) to be used by the Issuer or a Restricted Subsidiary engaged in the Cable/Telecommunications Business; or

(2) the Capital Stock of a Person engaged in the Cable/Telecommunications Business that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or another Restricted Subsidiary.

"Additional Notes" has the meaning set forth under "—Additional Notes" above.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Argentine Capital Markets Law" means the Argentine Capital Markets Law No. 26,831, as amended.

"Asset Sale" means any sale, lease, transfer or other disposition (including a Sale and Leaseback Transaction, except for Permitted Sale and Leaseback Transactions) of any assets (including any material license) by the Issuer or any Restricted Subsidiary, including by means of a merger, consolidation or similar transaction and including any sale or issuance of the Equity Interests of any Restricted Subsidiary (each of the above referred to as a "disposition"), *provided* that the following are not included in the definition of "Asset Sale":

(1) a disposition to the Issuer or a Restricted Subsidiary, including the sale or issuance by the Issuer or any Restricted Subsidiary of any Equity Interests of any Restricted Subsidiary to the Issuer or any Restricted Subsidiary;

(2) the disposition by the Issuer or any Restricted Subsidiary of cash or Cash Equivalents;

(3) the disposition by the Issuer or any Restricted Subsidiary in the ordinary course of business of (i) inventory and other assets held for sale in the ordinary course of business, (ii) damaged, worn out or obsolete assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries, (iii) rights granted to others pursuant to leases or licenses or (iv) any property, rights or assets upon expiration in accordance with the terms of any concession;

(4) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise, settlement or collection thereof;

(5) a transaction covered by "—Certain Covenants—Limitation on Consolidation, Merger or Sale of Assets";

(6) a Restricted Payment permitted under "—Certain Covenants—Limitation on Restricted Payments" or a Permitted Investment;

(7) the issuance of Disqualified Stock or Preferred Stock pursuant to "—Certain Covenants—Limitation on Debt;"

(8) a Sale and Leaseback Transaction permitted under "—Certain Covenants—Limitation on Sale and Leaseback Transactions;"

(9) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims;

(10) the creation of a Permitted Lien; and

(11) any disposition in a transaction or series of related transactions of assets in any fiscal year with a fair market value of less than the greater of (x) U.S.$30 million (or the equivalent in other currencies) and (y) 2% of Consolidated Net Tangible Assets.

"Attributable Debt" means, with respect of a Sale and Leaseback Transaction, as at the time of determination, the present value (discounted at the interest rate implicit in the Sale and Leaseback Transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback transaction.

"Average Life" means, with respect to any Debt, the quotient obtained by dividing (i) the sum of the products of (x) the number of years from the date of determination to the dates of each successive scheduled principal payment of such Debt and (y) the amount of such principal payment by (ii) the sum of all such principal payments.

"Bankruptcy Law" means the Argentine Insolvency and Bankruptcy Law No. 24,522, as amended, or any other applicable bankruptcy, insolvency or other similar law now or hereafter in effect.

"Board of Directors" means, with respect to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof.

"Board Resolution" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the trustee.

"Business Day" means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in New York City, New York or Buenos Aires, Argentina.

"Cable/Telecommunications Business" means any business operating a cable and/or internet and/or telecommunications services and/or communications services or programming business located in South, Central or North America or any member of the Organization for Economic Co-operation and Development, including, without limitation, any business conducted by the Issuer on the Issue Date.

"Capital Lease" means, with respect to any Person, any lease of any property which, in conformity with IFRS, is required to be capitalized on the balance sheet of such Person.

"Capital Stock" means, with respect to any Person, any and all shares of stock of a corporation, partnership interests or other equivalent interests (however designated, whether voting or non-voting) in such Person's equity, entitling the holder to receive a share of the profits and losses, and a distribution of assets, after liabilities, of such Person.

"Cash Equivalents" means

(1) any evidence of Debt issued by, or unconditionally guaranteed by, the United States or the Argentine governments or issued by any agency or instrumentality thereof and backed by the full faith and credit of the United States or Argentina, as applicable, or such Debt constitutes a general obligation of such country;

(2) deposits, certificates of deposit or acceptances with a maturity of 180 days or less of, or Debt with a maturity of 365 days or less from the date of the acquisition of (x) any financial institution that is a member of the Federal Reserve System, and has combined capital and surplus and undivided profits (or any similar capital concept) of not less than U.S.$500 million or (y) any financial institution organized under the laws of a country where the Issuer or any of its Subsidiaries conducts operations that is licensed to act as such by the central bank or other similar authority in such jurisdiction and has combined capital and surplus and undivided profits (or any similar capital concept) of, with respect to any such financial institution in Argentina, not less than U.S.$25.0 million or, with respect to any financial institution in the Oriental Republic of Uruguay or any other applicable jurisdiction, not less than U.S.$10.0 million, provided that the aggregate amount of any such deposits, certificates of deposit or acceptances or any such Debt secured by a letter of credit of any such financial institution with combined capital and surplus and undivided profits (or any similar capital concept) of less than U.S.$100 million shall not exceed thirty percent (30%) of the aggregate amount of Cash Equivalents at any time, provided, further, that such bank is not under intervention, receivership or any similar arrangement at the time of such deposit or the acquisition of such certificate of deposit or acceptance;

(3) Debt with a maturity within 180 days or less of their date of acquisition issued by a corporation (other than an Affiliate of the Issuer) organized under the laws of Argentina or any part thereof or the United States or any state thereof or the District of Columbia and rated at least "A-1" by S&P or "P-1" by Moody's;

(4) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the government of Argentina or the United States government (in the case of any Argentine or United States government obligations, respectively), in each case maturing within one year from the date of acquisition and

(5) investments in money market funds all of the assets of which consist of securities of the type described in the foregoing clauses (1) through (4).

"Change of Control" means the occurrence of any of the following events:

(1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), excluding a Permitted Holder or an underwriter engaged in a firm commitment underwriting in connection with a public offering of the Voting Stock of the Issuer, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Issuer and the Permitted Holders so "beneficially own," directly or indirectly, in the aggregate, a lesser percentage of the total Voting Stock of the Issuer; or

(2) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Issuer to any Person or group of Persons or the merger or consolidation of the Issuer with or into another corporation, with the effect, in any such transaction, that either (a) immediately after such transaction any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than a Permitted Holder), shall have become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time) of securities of the transferee corporation or the surviving corporation of such transfer, merger or consolidation representing more than 35% of the voting power of the Voting Stock of the transferee corporation or the surviving corporation and the Permitted Holders "beneficially own," directly or indirectly, in the aggregate a lesser percentage of the total Voting Stock of the transferee corporation or the surviving corporation or (b) the securities of the Issuer that are outstanding immediately prior to such transaction and which represent 100% of the voting power of the Voting Stock of the Issuer are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, (A) securities of the transferee corporation or the surviving corporation that represent, immediately after such transaction, more than 35% of the voting power of the Voting Stock of the transferee corporation or the surviving corporation or (B) securities that represent immediately after such transaction more than 35% of the Voting Stock of the corporation

that owns, directly or indirectly, 100% of the Voting Stock of the transferee corporation or the surviving corporation of that transaction.

"CNV Rules" means the rules and regulations of the CNV in effect from time to time.

"Consolidated Interest Expense" means, for any period, the consolidated interest expense of the Issuer and its Restricted Subsidiaries in accordance with IFRS, plus, to the extent not included in such consolidated interest expense, and to the extent incurred, accrued or payable by the Issuer or its Restricted Subsidiaries, without duplication:

(1) interest expense attributable to Sale and Leaseback Transactions,

(2) amortization of debt discount and debt issuance costs,

(3) capitalized interest,

(4) non-cash interest expense,

(5) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing,

(6) net cash costs associated with Hedging Agreements related to Debt, and

(7) any of the above expenses with respect to Debt of another Person Guaranteed by the Issuer or any of its Restricted Subsidiaries, as determined on a consolidated basis and in accordance with IFRS.

"Consolidated Net Income" means, for any period, the aggregate net income (or loss) of the Issuer and its Restricted Subsidiaries for such period determined on a consolidated basis in conformity with IFRS, provided that the following (without duplication) will be excluded in computing Consolidated Net Income:

(1) any net after-tax gains or losses attributable to Asset Sales;

(2) any net after-tax extraordinary gains or losses;

(3) for purposes of calculating Consolidated Net Income pursuant to clause (a)(iii)(A) of the first paragraph of Certain Covenants—Limitation on Restricted Payments, any net income (or loss) of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition;

(4) the net income (but not loss) of any Restricted Subsidiary to the extent that a corresponding amount could not be distributed to the Issuer or another Restricted Subsidiary at the date of determination without any government approval (that has not been obtained) or by charter or by any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such distribution;

(5) the net income (but not loss) of any Person that is not the Issuer or a Restricted Subsidiary, except to the extent of the amount of dividends or other distributions actually paid in cash to the Issuer or any of its Restricted Subsidiaries (subject to clause (3) below) by such Person during such period;

(6) the cumulative effect of a change in accounting principles.

In calculating the aggregate net income (or loss) of the Issuer and its Restricted Subsidiaries on a consolidated basis, income attributable to Unrestricted Subsidiaries will be excluded altogether.

"Consolidated Net Tangible Assets" means, at any time, the total of all assets appearing on a consolidated balance sheet of the Issuer and its Restricted Subsidiaries, net of all applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets, less the

aggregate of the current liabilities of the Issuer and its Subsidiaries appearing on such balance sheet as determined in accordance with IFRS.

“Control” means, when used with respect to any specified person, the right or power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “Controlling” and “Controlled” have meanings correlative to the foregoing. With respect to any entity that is publicly listed, the person (or group of persons) directly or indirectly having the highest percentage of ownership of (or control over the voting of) Capital Stock of such entity will be deemed to have "Control" over such entity unless such percentage is less than 10%.

“Corrupt Practices Laws” means, to the extent applicable with respect to any person: (a) the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95-213, §§101-104), as amended, and (b) any other law applicable to such person and/or any of its Subsidiaries relating to bribery, kick-backs or similar activities.

“Debt” means, with respect to any Person, without duplication:

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments, excluding obligations in respect of trade letters of credit or bankers’ acceptances issued in respect of trade payables to the extent not drawn upon or presented, or, if drawn upon or presented, the resulting obligation of the Person is paid within 10 Business Days;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services which are recorded as liabilities under IFRS, excluding trade payables arising in the ordinary course of business;

(5) all obligations of such Person as lessee under Capital Leases;

(6) all Debt of other Persons Guaranteed by such Person to the extent so Guaranteed;

(7) all Debt of other Persons secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person;

(8) all obligations of such Person under Hedging Agreements; and

(9) all Disqualified Stock (the amount of Debt therefrom deemed to equal any involuntary liquidation preference plus accrued and unpaid dividends).

The amount of Debt of any Person will be deemed to be:

(A) with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation;

(B) with respect to Debt secured by a Lien on an asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the lesser of (x) the fair market value of such asset on the date the Lien attached and (y) the amount of such Debt;

(C) with respect to any Debt issued with original issue discount, the face amount of such Debt less the remaining unamortized portion of the original issue discount of such Debt;

(D) with respect to any Hedging Agreement, the net amount payable if such Hedging Agreement terminated at that time due to default by such Person; and

(E) otherwise, the outstanding principal amount thereof.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Deeply Subordinated Debt" means any Subordinated Debt of the Issuer which is (i) subordinated in right of payment to the notes, pursuant to a written agreement to that effect, (ii) (A) does not mature or require any amortization, redemption or other repayment of principal (other than through conversion or exchange of such Debt into Qualified Stock of the Issuer or any Debt meeting the requirements of this definition), (B) does not require payment of any cash interest or any similar cash amounts and (C) contains no change of control or similar provisions and (D) does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment of the Issuer (other than as a result of insolvency proceedings of the Issuer), in each case, prior to the 90th day following the Stated Maturity of the notes and all other amounts due under this Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any Restricted Subsidiary and (iv) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the notes or compliance by the Issuer with its obligations under the notes, and the Indenture.

"Disqualified Equity Interests" means Equity Interests that by their terms or upon the happening of any event are:

(1) required to be redeemed or redeemable at the option of the holder prior to the Stated Maturity of the notes for consideration other than Qualified Equity Interests, or

(2) convertible at the option of the holder into Disqualified Equity Interests or exchangeable for Debt.

"Disqualified Stock" means Capital Stock constituting Disqualified Equity Interests.

"EBITDA" means, for any period, the sum of:

(1) total revenues, less

(2) the sum of:

(A) cost of sales;

(B) selling expenses; and

(C) administrative expenses, plus

(3)depreciation and amortization,
in each case as determined, for the relevant period, on a consolidated basis for the Issuer and its Restricted Subsidiaries in conformity with IFRS.

"Equity Interests" means all Capital Stock and all warrants or options with respect to, or other rights to purchase, Capital Stock, but excluding Debt convertible into equity.

"Equity Offering" means an offering for cash, after the Issue Date, of Qualified Stock of the Issuer or of any direct or indirect parent of the Issuer (to the extent the proceeds thereof are contributed to the common equity of the Issuer).

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"Fitch" means Fitch Inc. and its successors.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part; *provided* that the term "Guarantee" does not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Hedging Agreement" means (i) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates, or (ii) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates.

"IFRS" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, as in effect from time to time.

"Incur" means, with respect to any Debt or Capital Stock, to incur, create, issue, assume or Guarantee such Debt or Capital Stock. If any Person becomes a Restricted Subsidiary on any date after the date of the indenture (including by redesignation of an Unrestricted Subsidiary or failure of an Unrestricted Subsidiary to meet the qualifications necessary to remain an Unrestricted Subsidiary), the Debt and Capital Stock of such Person outstanding on such date will be deemed to have been Incurred by such Person on such date for purposes of "—Certain Covenants—Limitation on Debt." The accretion of original issue discount or payment of interest in kind will not be considered an Incurrence of Debt.

"Independent Financial Advisor" means an accounting firm, appraisal firm, investment banking firm or consultant that is, in the judgment of the Issuer's Board of Directors, qualified to perform the task for which it has been engaged and which is independent in connection with the relevant transaction.

"Interest Coverage Ratio" means, on any date (the "transaction date"), the ratio for the Issuer of:

(x) the aggregate amount of EBITDA for the four fiscal quarters immediately prior to the determination date for which internal financial statements are available (the "reference period") to

(y) the aggregate Consolidated Interest Expense during such reference period.

In making the foregoing calculation,

(1) pro forma effect will be given to any Debt, Disqualified Stock or Preferred Stock Incurred during or after the reference period to the extent the Debt, Disqualified Stock or Preferred Stock is outstanding or is to be Incurred on the transaction date as if the Debt, Disqualified Stock or Preferred Stock had been Incurred on the first day of the reference period;

(2) pro forma calculations of interest on Debt bearing a floating interest rate will be made as if the rate in effect on the transaction date (taking into account any Hedging Agreement applicable to the Debt if the Hedging Agreement has a remaining term of at least 12 months) had been the applicable rate for the entire reference period;

(3) Consolidated Interest Expense related to any Debt, Disqualified Stock or Preferred Stock no longer outstanding or to be repaid, repurchased or redeemed on the transaction date, except for Consolidated Interest Expense accrued during the reference period under a revolving credit to the extent of the commitment thereunder (or under any successor revolving credit) in effect on the transaction date, will be excluded;

(4) pro forma effect will be given to:

(A) the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries,

(B) the acquisition or disposition of companies, divisions or lines of businesses by the Issuer and its Restricted Subsidiaries, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Restricted Subsidiary after the beginning of the reference period, and

(C) the discontinuation of any discontinued operations but, in the case of Consolidated Interest Expense, only to the extent that the obligations giving rise to the Consolidated Interest Expense will not be obligations of the Issuer or any Restricted Subsidiary following the transaction date

that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be based upon the most recent four full fiscal quarters for which the relevant financial information is available.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person,

(2) any capital contribution to another Person, by means of any transfer of cash or other property or in any other form,

(3) any purchase or acquisition of Equity Interests, bonds, notes or other Debt, or other similar instruments or securities issued by another Person, including the receipt of any of the above as consideration for the disposition of assets or rendering of services, or

(4) any Guarantee of any obligation of another Person.

If the Issuer or any Restricted Subsidiary (x) sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary so that, after giving effect to that sale or disposition, such Person is no longer a Subsidiary of the Issuer, or (y) designates any Restricted Subsidiary as an Unrestricted Subsidiary in accordance with the provisions of the indenture, all remaining Investments of the Issuer and its Restricted Subsidiaries in such Person shall be deemed to have been made at such time.

"Investment Grade" means Baa3 or higher by Moody's and BBB- or higher by Fitch, or the equivalent of such ratings by another Rating Agency.

"Issue Date" means the date on which the notes are originally issued under the indenture.

"Leverage Ratio" means, on any date (the "transaction date"), the ratio of:

(x) the aggregate amount of consolidated Debt of the Issuer and its Restricted Subsidiaries to

(y) the aggregate amount of EBITDA for the four fiscal quarters immediately prior to the transaction date for which internal financial statements are available (the "reference period").

In making the foregoing calculation:

(1) any Debt, Disqualified Stock or Preferred Stock to be repaid or redeemed on the transaction date will be excluded; and

(2) pro forma effect will be given to:

(A)the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries,

(B)the acquisition or disposition of companies, divisions or lines of businesses by the Issuer and its Restricted Subsidiaries, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Restricted Subsidiary after the beginning of the reference period, and

(C)the discontinuation of any discontinued operations

that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be based upon the most recent four full fiscal quarters for which the relevant financial information is available.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or Capital Lease).

"Material Adverse Effect" means, a material adverse effect on (a) the condition (financial or otherwise), operations, performance, business, properties or prospects of the Issuer and its Restricted Subsidiaries taken as a whole, (b) the rights and remedies of the trustee, or the holders of the notes, as applicable under the indenture or the notes, (c) the Issuer's ability to pay any amounts under the notes or the indenture or the Issuer's ability to perform its other payment obligations under the notes or the indenture or (d) the legality, validity or enforceability of the indenture or the notes.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Negotiable Obligations Law" means the Argentine Negotiable Obligations Law No. 23,576, as amended by Law No. 23,962, as further amended from time to time.

"Net Cash Proceeds" means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash (including (i) payments in respect of deferred payment obligations to the extent corresponding to, principal, but not interest, when received in the form of cash, and (ii) proceeds from the conversion of other consideration received when converted to cash), net of

(1) brokerage commissions and other fees and expenses related to such Asset Sale, including fees and expenses of counsel, accountants and investment bankers;

(2) provisions for taxes as a result of such Asset Sale without regard to the consolidated results of operations of the Issuer and its Restricted Subsidiaries;

(3) payments required to be made to holders of minority interests in Restricted Subsidiaries as a result of such Asset Sale or to repay Debt outstanding at the time of such Asset Sale that is secured by a Lien on the property or assets sold; and

(4) appropriate amounts to be provided as a reserve against liabilities associated with such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Sale, with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash.

"Non-Recourse Debt" means Debt as to which neither the Issuer nor any Restricted Subsidiary provides any Guarantee and as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Issuer or any Restricted Subsidiary.

"Officers' Certificate" means, with respect to any Person, a certificate signed by two officers of such Person, one of whom is the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer, or by any other officer and either an assistant treasurer or an assistant secretary of such Person.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Issuer (except as otherwise provided in the indenture), obtained at the expense of the Issuer, or the surviving or transferee Person or a Restricted Subsidiary, and who is reasonably acceptable to the trustee.

"Permitted Holders" means (a) Grupo Clarín S.A., Fintech Advisory, Inc., Fintech Media LLC and any of their respective successors and Affiliates, any limited partnership of which any of them or their successors or Affiliates is the general partner and any investment fund controlled or managed by any of them or their successors or Affiliates, and (b) any of (i) Ernestina Laura Herrera de Noble, Hector Horacio Magnetto, José Antonio Aranda, Lucio Rafael Pagliaro and their legitimate heirs by reason of death, (ii) any Privileged Relatives of any of the individuals set forth in subclause (b)(i) of this definition, (iii) any trust the beneficiaries of which are any of the individuals set forth in subclause (b)(i) of this definition and/or any Privileged Relatives of any of such noted individuals, and (iv) any Person (other than an individual) directly or indirectly majority owned and controlled by one or more individuals set forth in subclause (b)(i) of this definition and/or any Privileged Relatives of any Permitted Holder.

"Permitted Investments" means:

(1) any Investment in any Person that is directly or indirectly engaged in a Cable/Telecommunications Business;

(2) any Investment in Cash Equivalents;

(3) Investments received as non-cash consideration in an Asset Sale made pursuant to and in compliance with "—Certain Covenants—Limitation on Asset Sales" or a disposition of assets not constituting an Asset Sale;

(4) Hedging Agreements otherwise permitted under the indenture;

(5) (i) receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business, (ii) endorsements for collection or deposit in the ordinary course of business, and (iii) securities, instruments or other obligations received in compromise or settlement of debts created in the ordinary course of business, or by reason of a composition or readjustment of debts or reorganization of another Person, or in satisfaction of claims or judgments;

(6) any Investment permitted under "—Certain Covenants—Limitation on Transactions with Affiliates;"

(7) prepayments and other credits to suppliers made in the ordinary course of business;

(8) the TD Investment and any renewal or extension thereof, in whole or in part, with any Permitted Holder; and

(9) in addition to Investments listed above, other Investments not to exceed the greater of (i) U.S.$65 million (or the equivalent in other currencies) and (ii) 5% of Consolidated Net Tangible Assets.

"Permitted Liens" means:

(1) Liens existing on the Issue Date;

(2) Liens securing the notes;

(3) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof;

(4) Liens (including the interest of a lessor under a Capital Lease) on property that secure Debt Incurred under clause (8) of Permitted Debt for the purpose of financing all or any part of the purchase price or cost of construction or improvement of such property and which attach within 180 days after the date of such purchase or the completion of construction or improvement;

(5) Liens on property of a Person at the time such Person becomes a Restricted Subsidiary of the Issuer, provided such Liens were not created in contemplation thereof and do not extend to any other property of the Issuer or any Restricted Subsidiary;

(6) Liens on property at the time the Issuer or any of the Restricted Subsidiaries acquires such property, including any acquisition by means of a merger or consolidation with or into the Issuer or a Restricted Subsidiary of such Person, provided such Liens were not created in contemplation thereof and do not extend to any other property of the Issuer or any Restricted Subsidiary;

(7) Liens securing Debt or other obligations of (a) a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary or (b) the Issuer owing to a Restricted Subsidiary;

(8) Liens securing Hedging Agreements so long as such Hedging Agreements relate to Debt for borrowed money that is, and is permitted to be under the indenture, secured by a Lien on the same property securing such Hedging Agreements;

(9) any pledge of the Capital Stock of an Unrestricted Subsidiary to secure Debt of such Unrestricted Subsidiary, to the extent such pledge constitutes an Investment permitted under "—Certain Covenants—Limitation on Restricted Payments;"

(10) extensions, renewals or replacements of any Liens referred to in clauses (1), (2), (4) or (5) in connection with the Refinancing of the obligations secured thereby, provided that such Lien does not extend to any other property and, except as contemplated by the definition of "Refinancing Debt," the amount secured by such Lien is not increased; and

(11) other Liens securing Debt in an aggregate amount not exceeding the greater of U.S.$100 million and 10% of Consolidated Net Tangible Assets.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" means, with respect to any Person, any and all Capital Stock which is preferred as to the payment of dividends or distributions, upon liquidation or otherwise, over another class of Capital Stock of such Person.

"Privileged Relative" means, in relation to an individual, his or her spouse and any relative of such individual with a common ancestor up to the fourth degree (including adopted children who have been adopted during their minority and step-children who have acquired that relationship with such individual or with any such relative during their minority) and any spouse of any such relative.

"Qualified Equity Interests" means all Equity Interests of a Person other than Disqualified Equity Interests.

"Qualified Stock" means all Capital Stock of a Person other than Disqualified Stock.

"Rating Agencies" means Moody's and Fitch; *provided*, that if either Moody's or Fitch shall cease issuing a rating on the notes for reasons outside the control of the Issuer, the Issuer may select a "nationally recognized statistical rating organization" registered under Section 15E of the Exchange Act, selected by the Issuer as a replacement agency for Moody's or Fitch, as the case may be.

"Refinance" means, in respect of any Debt, to issue any Debt in exchange for or to refinance, repay, redeem, replace, defease or refund such Debt in whole or in part. "Refinanced" and "Refinancing" will have correlative meanings.

"Refinancing Debt" means Debt of the Issuer or any Restricted Subsidiary issued to Refinance any other Debt of the Issuer or a Restricted Subsidiary existing on the Issue date or Incurred in compliance with the Indenture so long as:

(1) the aggregate principal amount of such new Debt as of the date of such proposed Refinancing does not exceed the aggregate principal amount of the Debt to be Refinanced (plus accrued and unpaid interest premiums, fees and expenses related to such Refinancing); or

(2) such new Debt does not have a Stated Maturity prior to the Stated Maturity of the Debt to be Refinanced, and the Average Life of the new Debt is equal to or greater than the remaining Average Life of the Debt to be Refinanced:

(3) if the Debt being Refinanced is:

(A) Debt of the Issuer, then such Refinancing Debt will be Debt of the Issuer;

(B) Subordinated Debt, then the new Debt, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, will be expressly made subordinate in right of payment to the notes at least to the extent that the Debt to be Refinanced is subordinated to the notes.

"Restricted Payment" has the meaning set forth under "—Certain Covenants—Limitation on Restricted Payments."

"Restricted Subsidiary" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"Reversion Date" has the meaning set forth under "—Suspension of Certain Covenants."

"Sale and Leaseback Transaction" means, with respect to any Person, an arrangement whereby such Person enters into a lease of property previously transferred by such Person to the lessor.

"SEC" means the U.S. Securities and Exchange Commission.

"Significant Subsidiary" means a Restricted Subsidiary of the Issuer that would constitute a "Significant Subsidiary" of the Issuer in accordance with Rule 1-02 under Regulation S-X under the Securities Act in effect on the Issue Date.

"Stated Maturity" means (i) with respect to any Debt, the date specified as the fixed date on which the final installment of principal of such Debt is due and payable or (ii) with respect to any scheduled installment of principal of or interest on any Debt, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Debt, not including any contingent obligation to repay, redeem or repurchase prior to the regularly scheduled date for payment.

"Subordinated Debt" means any Debt of the Issuer which is subordinated in right of payment to the notes, pursuant to a written agreement to that effect.

"Subsidiary" means with respect to any Person, any corporation, association or other business entity of which more than 50% of the outstanding Voting Stock is owned, directly or indirectly, by, or, in the case of a partnership, the sole general partner or the managing partner or the only general partners of which are, such Person and one or more Subsidiaries of such Person (or a combination thereof). Unless otherwise specified, "Subsidiary" means a Subsidiary of the Issuer.

"Suspended Covenants" has the meaning set forth under "—Suspension of Certain Covenants."

"Suspension Period" has the meaning set forth under "—Suspension of Certain Covenants."

"TD Investment" has the meaning set forth under "Principal Shareholders and Related Party Transactions—Related Party Transactions".

"Transmission Tower Sale and Leaseback Transactions" means an arrangement whereby the Issuer or a Restricted Subsidiary enters into a lease of one or more transmission towers dedicated to the provision of mobile communication services previously transferred by such person to the lessor.

"U.S. Government Obligations" means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof, provided that the full faith and credit of the United States of America is pledged in support thereof.

"Unrestricted Subsidiary" means any Subsidiary of the Issuer that at the time of determination has previously been designated, and continues to be, an Unrestricted Subsidiary in accordance with "Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries."

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

TAXATION

Taxation in Argentina

The following summary of the main tax consequences in Argentina derived from acquisition, title to and disposition of the notes is based on the tax laws of Argentina and regulations thereunder as in effect on the date of this offering memorandum and is subject to any changes that may come into effect after such date under the Argentine laws and regulations as may become effective subsequently to such date.

Even though this summary is considered to constitute an appropriate interpretation of the effective laws as of the date of this offering memorandum, no assurance may be given that the courts or tax authorities in charge of application of such laws will agree to this interpretation. Furthermore, it should be noted that there have been many changes in Argentine tax laws in the past and that such laws may be subject to restatements, revocation of exemptions, reestablishment of taxes and other changes which may reduce or eliminate the return on the investment.

Income Tax

Tax on Interest Payments

Except as described below, interest payments on the notes (including original issue discount, if any) will be exempt from Argentine income tax; *provided* that the notes are issued in accordance with the Argentine Negotiable Obligations Law and qualify for tax exempt treatment under Article 36 of such law. Under Article 36, interest on the notes shall be exempt if the following conditions (the "Article 36 Conditions") are satisfied:

(a) the notes must be placed through a public offering authorized by the CNV;

(b) the proceeds of the placement must be used by us either for (i) working capital to be used in Argentina, (ii) investments in tangible assets located in Argentina, (iii) refinancing of debt, or (iv) capital contributions to our controlled or affiliated corporations; *provided* that such corporations use the proceeds of such contributions for the purposes set forth in (i), (ii) or (iii) above, as established under the resolution ordering the issue and that it has been informed to the investors publicly through this offering memorandum; and

(c) we must provide evidence to the CNV at the time and in the manner as prescribed by regulations that the proceeds of the issue have been used for the purposes described in section (b) above.

If we fail to comply with Article 36 Conditions, Article 38 of the Argentine Negotiable Obligations Law provides that the benefits resulting from tax treatment shall be forfeited and we shall become liable for payment of the taxes as may have been applicable to the investor, calculated at the highest rate established by Article 90 of the Argentine Income Tax Law (35%). In this case, holders of notes shall receive the amount of interest as established under the relevant Title as if no taxes had been payable. We intend to comply with Article 36 Conditions. AFIP regulated through General Resolution No. 1516/2003, as amended by General Resolution No. 1578/2003, the relevant mechanism for payment of income tax by us in the event any of the requirements set forth by Article 36 of the Argentine Negotiable Obligations Law is considered not to have been fulfilled.

Some exceptions established by Articles 21 of the Argentine Income Tax Law and Article 106 of Tax Procedure Law are not applicable to non-resident beneficiaries for interest paid in connection with holding of notes, and the above-mentioned exemption treatment is applicable, regardless of whether this benefit increases the amount subject to tax in another country or not.

According to Decree No. 1,076/1992-July 2, 1992 - as amended by Decree No. 1157/1992 of July 10, 1992, ratified by Argentine Law No. 24,307 of December 30, 1993 ("Decree No. 1076"), the exemption described above with respect to certain Argentine taxpayers was eliminated. As a result of Decree No. 1076, interest paid to holders subject to the tax adjustment for inflation rules pursuant to Title VI of the Argentine Income Tax Law (in general, entities organized or incorporated under Argentine law, Argentine branches of foreign entities, sole proprietorships

and individuals carrying on certain commercial activities in Argentina) is subject to income tax in Argentina at a rate of 35%.

Therefore, the exemption is applicable only to: (i) resident and non-resident individuals (including undivided estates) and (ii) foreign legal entities and other foreign entities.

Taxes on Capital Gains

If the Article 36 Conditions under the Argentine Negotiable Obligations Law are fully complied with, resident and non-resident individuals (including undivided estates) and foreign legal entities, except for their permanent establishments in Argentina, are not subject to income tax derived from the sale, exchange or other disposition of the notes.

Decree No. 1076/1992 has established that taxpayers subject to tax adjustment for inflation rules pursuant to Title VI of the Argentine Income Tax Law of Argentina (as described above, Argentine entities in general) are subject to the payment of income tax on capital gains derived from the sale or other disposition of the notes.

Presumed Minimum Income Tax

The Presumed Minimum Income Tax (the "PMIT") is levied upon corporate assets, including the notes. The taxable persons are as follows: business companies, foundations, sole proprietorships, trusts (except for financial trusts established in accordance with Sections 19 and 20 of Trust Law), certain mutual funds established in Argentina and permanent commercial establishments owned by foreign entities, among other taxpayers.

As concerns notes listed in an authorized market, the taxable value shall be determined on the basis of the last listed value as of the fiscal year closing date.

The tax rate is 1% (0.2% in the case of local financial entities). Assets subject to tax in Argentina whose aggregate value, determined in accordance with the effective regulations, is equal to or lower than Ps. 200,000 as of the relevant fiscal year end date, shall be exempted from application of the PMIT.

Income tax assessed for a particular fiscal year is considered as a payment on account of PMIT to be paid in the same fiscal year.

In the event that, after the deduction described in the paragraph above, there is an excess amount of Argentine income tax, such excess amount shall not generate any credit for the taxpayer and it may not be reimbursed or offset in any case whatsoever. If the income tax which may be deducted on account of PMIT is insufficient so that such PMIT must be paid in a certain fiscal year, it will be possible to acknowledge PMIT as a credit toward income tax owed in the immediately following ten fiscal years.

Pursuant to Argentine Law No. 26,545, the PMIT was extended until December 30, 2019.

Value Added Tax

Any financial transactions and operations related to the issuance, subscription, placement, purchase, transfer, payment of principal and/or interest or redemption of the notes, and guarantees thereof, will be exempted from VAT, always provided that such notes have been placed through a public offering and to the extent that the Article 36 Conditions have been fulfilled.

Personal Assets Tax

Individuals domiciled and undivided estates located in Argentina or abroad must include securities, such as the notes, in order to determine their tax liability for the Personal Assets Tax ("PAT"). This tax is levied on certain taxable assets held by December 31 of each year, at the rate of (i) 0.50% for those individuals domiciled and undivided estates located in Argentina whose assets subject to the tax exceed an aggregate amount of Ps. 305,000

but do not exceed Ps. 750,000; (ii) 0.75% for those individuals domiciled and undivided estates located in Argentina whose assets subject to the tax exceed an aggregate amount of Ps. 750,000 but do not exceed Ps. 2 million; (iii) 1% for those individuals domiciled and undivided estates located in Argentina whose assets subject to the tax exceed an aggregate amount of Ps. 2 million but do not exceed Ps. 5 million; or (iv) 1.25% for those individuals domiciled and undivided estates located in Argentina whose assets subject to the tax exceed an aggregate amount of Ps. 5 million. Individuals domiciled abroad and undivided estates located abroad are subject to a 1.25% rate to the extent their personal assets tax liability exceeds Ps. 255.75. The tax is applicable on the market value of the notes at December 31 of each calendar year.

Although securities, such as the notes, owned by individuals domiciled or undivided estates located outside Argentina would be technically subject to the PAT, according to the provisions of Decree No. 127/96, a procedure for the collection of such tax has not been established in respect of such securities.

Under certain circumstances, assets held by companies or other entities domiciled or incorporated abroad (offshore entities -other than insurance companies, open-end investment funds, pension funds and banks or financial entities whose head offices are incorporated in a country whose Central Bank or equivalent authority has adopted the international standards of supervision established by the Basel Committee- domiciled or incorporated in countries that do not apply nominative regimes on corporate securities, and according to their bylaws or legal nature, the main activity of such offshore entities is making investments in countries other than their incorporation country, and/or such offshore entities are precluded from conducting certain operations and/or investments expressly stated under their legal regime or bylaws) are presumed to be owned by individuals or undivided estates domiciled or incorporated in Argentina and, consequently, are subject to the PAT at an aggregate rate of 2.5%. However, Decree No. 812/1996, dated July 24, 1996, establishes that this legal presumption shall not apply to shares and debt-related corporate securities, such as the notes, whose public offering has been authorized by the CNV and which are tradable on Argentine or foreign stock exchanges or stock markets.

In order to ensure that this legal presumption will not apply and, correspondingly, that the issuer shall not be liable as a substitute obligor in respect of the notes, the issuer shall keep in its records a duly certified copy of the CNV resolution authorizing the public offering of the shares or debt-related corporate securities, and evidence verifying that such certificate or authorization was effective as of December 31 of the year in which the PAT liability occurred, as required by Resolution N° 2,151 of the Argentine Tax Authority published in the Official Gazette on November 3, 2006.

Tax on Credits and Debits on Bank Accounts

Law No. 25,413, as amended and regulated by Law No. 25,453, established a tax levied on debits and credits of any nature on checking accounts maintained at financial institutions located in Argentina, except for those specifically exempted pursuant to legal provisions and regulations thereof. Debits and credits on checking accounts are subject to a general tax rate of 0.6%, although in certain cases a reduced rate of 0.075% may apply.

Certain transfers of money or cash movements through other mechanisms may also trigger application of this tax, subject to tax rates that may be up to 1.2% of amounts transferred in some cases.

In general, the financial institutions involved act as tax collection and tax calculation agents.

Decree No. 534/2004 established that, as from May 1, 2004, 34% of the amounts paid on account of this tax for taxable events covered by Article 1 a) of the above-mentioned Law (only credits) at the 0.6% general tax rate, and 17% of the tax paid on transactions levied at the 1.2% tax rate under paragraphs b) and c) of such Law, will be considered as a payment on account of income tax, taxes on presumed minimum income or the special contribution on cooperatives capital by the bank account holders.

Turnover Tax

Turnover tax is a local tax levied on the customary development of any business for profit within a provincial jurisdiction or the City of Buenos Aires. The tax base is the gross amount invoiced as a result of the business activities transacted in the jurisdiction.

Revenues derived from any transaction related to the notes issued in accordance with the Argentine Negotiable Obligations Law shall be exempted from application of turnover tax in the jurisdictions of the City of Buenos Aires and the province of Buenos Aires. Pursuant to the provisions of the Tax Code applicable in both jurisdictions, in order to avail of the exemption, the notes must be issued in accordance with the provisions set forth by Law No. 23,576 and Law No. 23,962, and the above-mentioned tax exemption shall apply to the extent such transactions are exempted from income tax (that is, to the extent the Article 36 Conditions are met).

Stamp and Transfer Taxes

The Tax Code of the City of Buenos Aires exempts from stamp tax all acts, contracts and operations related with the issuance, subscription, placement and transfer of notes issued in accordance with Laws 23,576 and 23,962. The Tax Code of the Province of Buenos Aires exempts from stamp tax all acts, contracts and operations related with the issuance, subscription, placement and transfer of notes issued in accordance with Laws 23,576 and 23,962.

As regards transfer taxes, the Province of Buenos Aires ("PBsAs") established a Free Transfer of Assets Tax (Law N° 14.044) ("FTAT") -as from 01 January 2010-, the main characteristics of which are:

- The FTAT applies on enrichments from all free transfer of assets, including inheritance, legacies, donations, etc.

- Individuals and legal entities are subject to the FTAT.

- Taxpayers domiciled in the PBsAs are subject to the FTAT on assets located in the PBsAs and outside the PBsAs, and taxpayers domiciled in other provinces than the PBsAs are subject to the FTAT exclusively on assets located in the PBsAs.

- Notes –such as negotiable obligations- issued by an entity domiciled in the PBsAs are considered located in the PBsAs.

- Transfer of assets are exempted from the FTAT when the total amount of assets transferred is equal or less than Ps. 60,000 (Ps. 250,000 if the transference is to parents, sons or spouse) (excluding exemptions, deductions, etc.).

- The tax rates range between 4% up to 21.92% according to the tax base and the degree of kinship involved.

- All debts accrued up to December 31, 2010 are exempt from FTAT.

Free transfers of negotiable obligations might be subject to FTAT if they are involved in free transmissions of assets equal or less than Ps. 60,000 (Ps. 250,000 if the transfer is to parents, sons or spouse).

Court Taxes

Should it become necessary to institute legal actions in relation to the notes in Argentina, a court tax will be imposed on the amount of any claim brought before the Argentine courts sitting in the City of Buenos Aires (currently at a rate of 3.0%).

Funds Sourced in Jurisdictions that are not considered "Cooperative Jurisdictions"

Pursuant to Decree No. 589/2013 (effective as of May 30, 2013) all references contained in the Argentine Income Tax Law and its regulations to "countries deemed low-or-no-tax-jurisdictions", shall be replaced with the expression "non-cooperative countries for tax transparency purposes" ("Non-Cooperative Jurisdictions"). The list of Non-Cooperative Jurisdictions will include, by default, all foreign jurisdictions except those with which the Republic of Argentina has executed or is currently negotiating a tax information exchange agreement, to the extent that the exchange of information has been effective according to the Argentine tax authorities. Decree No. 589/2013 mandates the Argentine tax authorities to elaborate and publish the list of the cooperative jurisdictions which shall be updated periodically. The list is published by the AFIP on the following link: http://www.afip.gov.ar/genericos/novedades/jurisdiccionesCooperantes.asp.

Pursuant to a legal presumption set forth in article 18.1 of Law N° 11,683 (as amended by Law 25,795), incoming funds from Non-Cooperative Jurisdictions will be taxed as follows:

(a) income tax at a 35% rate would be assessed upon the issuer on 110% of the amount of the transfer; and

(b) VAT at 21% rate also is assessed upon the issuer on 110% of the amount of the transfer.

The Argentine tax resident may rebut such legal presumption by duly evidencing before the Argentine Tax Authority that the funds arise from activities effectively performed by the Argentine taxpayer or a third party in such jurisdictions, or that such funds have been previously declared.

Certain United States Federal Income Tax Considerations

The following discussion summarizes certain U.S. federal income tax consequences for holders of the purchase, ownership and disposition of notes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, U.S. Treasury regulations, published administrative interpretations of the Internal Revenue Service ("IRS") and judicial decisions, all of which are subject to change, possibly with retroactive effect. This summary deals only with holders that hold notes as capital assets and acquired the notes upon original issuance at their issue price. This discussion does not address the tax consequences that may be relevant to holders subject to special tax rules, including partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) and other pass-through entities and partners or members therein, insurance companies, tax-exempt organizations, banks and financial institutions, brokers, dealers in securities or currencies, U.S. holders (as defined below) whose functional currency is not the U.S. Dollar, U.S. holders holding the notes in connection with a trade or business conducted outside of the United States, holders that have ceased to be U.S. citizens or lawful permanent residents of the United States, persons that have hedged the risk of holding notes, persons that hold notes as part of a "straddle" or other integrated transaction, controlled foreign corporations, passive foreign investment companies and traders that elect mark-to-market treatment. In addition, this discussion does not consider the effect of any applicable state, local or foreign tax laws, or any aspect of U.S. federal taxation other than income taxation (such as estate and gift tax laws, the alternative minimum tax or Medicare tax on net investment income).

For purposes of this discussion, "U.S. holder" means a beneficial owner of notes that is an individual who is a citizen or resident of the United States or a domestic corporation or any person that is otherwise subject to U.S. federal income tax on a net income basis in respect of the notes. A "non-U.S. holder" means a beneficial owner of notes (other than a partnership or other entity or arrangement treated as partnerships for U.S. federal income tax purposes) that is not a U.S. holder.

You should consult your tax adviser about the tax consequences of holding notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local or other tax laws.

U.S. Federal Income Tax Consequences to U.S. Holders

Payments of Interest

Payments of interest on the notes (including the amount of any withholding taxes and any additional amounts paid with respect thereto) generally will be taxable to a U.S. holder as ordinary interest income at the time that such payments accrue or are received, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes.

It is expected, and this discussion assumes, that the notes will not be issued with original issue discount ("OID") in an amount equal to or in excess of a *de minimis* amount. In general, however, if the notes are issued with OID that is equal to or more than a *de minimis* amount, regardless of a U.S. holder's regular method of accounting for U.S. federal income tax purposes, such holder will have to include OID as ordinary gross income under a "constant yield method" before the receipt of cash attributable to such income.

With certain exceptions as noted below, any Argentine withholding tax that is imposed on payments of interest will be treated as a foreign income tax that is eligible (subject to generally applicable limitations and conditions under U.S. tax laws) for credit against a U.S. holder's federal income tax liability or, at the U.S. holder's election, for deduction in computing the U.S. holder's taxable income. Payments of interest on the notes generally will constitute foreign-source "passive category income" for U.S. foreign tax credit purposes. The calculation and availability of foreign tax credits and, in the case of a U.S. holder that elects to deduct foreign taxes, the availability of such deduction involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their own tax advisors regarding the availability of foreign tax credits.

Dispositions of the Notes

A U.S. holder generally will recognize gain or loss on the sale, exchange, redemption or other taxable disposition of the notes in an amount equal to the difference between the amount realized on such disposition (less any amounts attributable to accrued but unpaid interest, which will be taxable as such to the extent not previously included in income) and the U.S. holder's adjusted tax basis in the notes. A U.S. holder's adjusted tax basis in a note generally will equal its U.S. Dollar cost in that note. Gain or loss realized by a U.S. holder on a sale, exchange, redemption or other disposition of the notes generally will be U.S.-source capital gain or loss, and generally will be long-term capital gain or loss if, at the time of such disposition, the notes have been held for more than one year. The net amount of long-term capital gain realized by certain non-corporate holders (including individuals) may be subject to taxation at a preferential rate. The deduction of capital losses is subject to limitations.

U.S. Federal Income Tax Consequences to Non-U.S. Holders

Subject to the discussion of backup withholding, a non-U.S. holder generally will not be subject to U.S. federal income tax (including withholding tax) on payments of interest on the notes. In addition, a non-U.S. holder generally will not be subject to U.S. federal income tax on gain realized on the sale, exchange, redemption or other taxable disposition of the notes. U.S. federal income tax will apply to such interest and gain, however, to the extent that such income is effectively connected with the conduct of a U.S. trade or business by such non-U.S. holder (subject to the provisions of an applicable income tax treaty); furthermore, gain realized by an individual non-U.S. holder will be subject to U.S. federal income taxation if such holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

Information Reporting and Backup Withholding

Payments in respect of the notes that are paid within the United States or through certain U.S.-related financial intermediaries are generally subject to information reporting, unless the U.S. holder is a corporation (other than an S Corporation) or other exempt recipient. Such payments to a non-exempt recipient may also be subject to backup withholding, unless the U.S. holder provides an accurate taxpayer identification number and certifies that it has not lost its exemption from backup withholding. The amount of any backup withholding collected from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle the U.S. holder to a refund, provided that certain required information is timely furnished to the IRS. Non-U.S. holders are generally exempt from backup withholding, but such holder may have to comply with

certification procedures to prove entitlement to this exemption. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the purchase agreement, we have agreed to sell and the initial purchasers named below have severally agreed to purchase from us the following respective principal amounts of notes listed opposite their names below:

Initial Purchaser	Principal Amount of Notes
Deutsche Bank Securities Inc.	U.S.$166,500,000
Itau BBA USA Securities Inc.	U.S.$166,500,000
J.P. Morgan Securities LLC	U.S.$167,000,000
Total	**U.S.$500,000,000**

The purchase agreement provides that the obligations of the several initial purchasers to purchase the notes offered hereby are subject to certain conditions precedent and that the initial purchasers will purchase all of the notes offered by this offering memorandum if they purchase any of the notes.

The initial purchasers may offer and sell the notes through certain of their affiliates. In addition, after the initial offering, the initial purchasers may change the offering price and other selling terms of the notes.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the initial purchasers may be required to make in respect of any of these liabilities.

The notes have not been, and will not be, registered under the Securities Act. Each initial purchaser has agreed that it will offer or sell the notes only (i) in the United States to QIBs in reliance on Rule 144A under the Securities Act or (ii) outside the United States in reliance on Regulation S under the Securities Act. The notes being offered and sold pursuant to Regulation S may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless the notes are registered under the Securities Act or an exemption from the registration requirements thereof is available. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act. See “Transfer Restrictions.”

The notes are a new issue of securities and there is currently no market for the notes. In addition, the notes are subject to certain restrictions on resale and transfer as described under “Transfer Restrictions” in this offering memorandum. Application will be made to each of the Luxembourg Stock Exchange for the notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and to the BCBA for the notes to be listed on the MERVAL and to the MAE for the notes to be admitted to trading on the MAE. However, there can be no assurance that any of those applications will be approved.

We have agreed that, for a period of 30 days from the closing of the offering, we will not, without the prior written consent of the initial purchasers, offer, sell or contract to sell, pledge or otherwise dispose of, any debt securities substantially similar to the notes, issued or guaranteed by us and having a tenor of more than one year. The initial purchasers in their sole discretion may release any of the securities subject to the purchase agreement at any time without notice.

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions, covering transactions and overallotment transactions may have the effect of preventing or delaying a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing, covering or overallotment transactions, they may discontinue them at any time. Any such stabilizing, covering or overallotment transactions transactions will be subject to the limits imposed by applicable laws and regulations, including the CNV

rules, as amended by Resolution No. 662/2016 of the CNV. We cannot assure you that the trading market for the notes will be liquid, that an active public market for the notes will develop or, if developed, that it will continue to exist. If an active public trading market for the notes does not develop or persist, the market price and liquidity of the notes may be adversely affected.

Delivery of the notes against payment for the notes was made on June 15, 2016, which was the fifth business day following the date of pricing of the notes (such settlement being referred to as "T+5"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally settle in three business days, unless the parties to any such trade expressly agree otherwise. Therefore, purchasers who wish to trade notes on the date of pricing or the next two succeeding business days will be required, by virtue of the fact that the notes initially will settle in T+5, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers who wish to trade the notes prior to their date of delivery herewith should consult their advisor.

The offering of the notes comprises (i) a public offering within the meaning of the Argentine Capital Markets Law to "qualified investors" (*inversores calificados*) in Argentina, as defined by Article 12, Section II, Chapter VI of Title II of the CNV rules, made through Banco Itaú Argentina S.A. and the Industrial and Commercial Bank of China (Argentina) S.A. (together, the "Local Placement Agents") (the "Local Offering"), and (ii) an offer outside Argentina to QIBS in reliance on Rule 144A and to non-U.S. persons in reliance upon Regulation S under the Securities Act made by the initial purchasers (the "International Offering").

Certain of the initial purchasers or their affiliates are lenders under one or more credit facilities, which we intend to repay with the proceeds from the issuance of the notes. For example, Banco Itaú Argentina S.A., an affiliate of Itau BBA USA Securities Inc., is a lender under a syndicated term loan we have entered into (see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness). Accordingly, certain of the initial purchasers or their affiliates will receive proceeds from the offering. See "Use of Proceeds."

Certain of the initial purchasers, the Local Placement Agents and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us and/or our affiliates. Consequently, they have received, or may in the future receive, customary fees, interest and commissions for these transactions.

International Offering

The notes are being placed outside of Argentina by means of an offering in accordance with the laws of the applicable jurisdictions, under exemptions to registration or public offering requirements.

The notes have not been, and will not be, registered under the Securities Act. The initial purchasers will offer or sell the notes only (i) in the United States to QIBS in reliance on Rule 144A under the Securities Act or (ii) in offshore transactions in reliance on Regulation S under the Securities Act. The notes being offered and sold pursuant to Regulation S may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless the notes are registered under the Securities Act or an exemption from the registration requirements thereof is available. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act. See "Transfer Restrictions."

The offering of the notes outside of Argentina is being made with this offering memorandum. We, as issuer, and the initial purchasers entered into the purchase agreement described below on the date of this offering memorandum. The initial purchasers have undertaken outside of Argentina a variety of marketing methods consistent with international practices for the placement of securities in comparable transactions (including, without limitation road shows, global or individual conference calls, one-on-one or group meetings, and distribution of the offering memorandum), and may also offer and sell the notes through certain of their qualified affiliates. The placement and allocation of the notes is being undertaken through a book-building process. After completion of such book-building process, the initial purchasers shall, record expressions of interest received from investors outside of Argentina and from the Local Placement Agents in Argentina in an electronic registry book maintained in New York

City in accordance with customary practice and applicable regulations further described under the heading "— Placement and Allocation" below.

Until the expiration of 40 days after the commencement of this offering, any offer or sale of notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act, unless the dealer makes the offer or sale pursuant to Rule 144A or another available exemption from registration under the Securities Act.

Local Offering

The notes are being placed in Argentina by means of an offering that will qualify as a public offering conducted in accordance with the Argentine Securities Law, the CNV rules (as amended by Resolution No. 662/2016 of the CNV) and other applicable Argentine laws. For this purpose, the notes have been authorized for public offering in Argentina by means of Resolution No. 18,067 of the CNV, dated May 26, 2016. The Local Offering will be made by way of an Argentine prospectus and an Argentine pricing supplement in the Spanish language with information substantially similar to that included in this offering memorandum.

The Local Placement Agents may only solicit or receive purchase orders from investors who are Argentine residents and the ultimate beneficiary of the notes purchased through the Local Offering must be Argentine residents.

Placement and Allocation

Placement Efforts

We and the Local Placement Agents will conduct marketing efforts and will offer the notes by means of a public offering in Argentina pursuant to the Argentine Securities Law, the CNV rules and other applicable Argentine laws, including, without limitation, Chapter IV, Title VI of the CNV rules. In addition, we and the initial purchasers will undertake marketing efforts for the placement of the notes to investors outside Argentina in accordance with the laws of the applicable jurisdictions.

The placement efforts will consist of a variety of marketing methods and activities customarily undertaken in transactions of this type. Such marketing efforts may include: (i) international and/or local road shows with institutional investors; (ii) calls with institutional investors, where such investors will have the opportunity to ask questions regarding our business and the notes; (iii) electronic road shows; (iv) the publication of a summary of the Argentine prospectus and Argentine pricing supplement (containing information substantially similar to that included in this offering memorandum) in the BCBA bulletin and the publication of other notices in newspapers and bulletins; (v) the distribution (electronically or in hard copy) of the preliminary offering memorandum and this offering memorandum outside Argentina, and the Argentine prospectus and the Argentine pricing supplement in Argentina; and (vi) the availability to investors of hard copies of the preliminary offering memorandum and this offering memorandum at the principal offices of the initial purchasers.

Book-Building

The placement of the notes is being conducted pursuant to book-building procedures undertaken by the initial purchasers.

Investors interested in purchasing the notes must make expressions of interest (each an "Expression of Interest") specifying the requested principal amount of the notes which they seek to purchase, which shall be no less than U.S.$150,000 and in integral multiples of U.S.$1,000, as well as the yield offered for the notes, expressed as a semi-annual rate rounded to three decimals (the "Offered Yield").

As described further below, the initial purchasers will record the Expressions of Interest received from investors outside of Argentina and from the Local Placement Agents in Argentina in an electronic registry book maintained in New York City in accordance with customary practice for this type of international offering in the

United States and applicable regulations pursuant to Article 1, Section I, Chapter IV, Title VI of the CNV rules, as amended by Resolution CNV No. 662/2016.

Subject to the Argentine Securities Law, the CNV rules and other applicable laws and regulations and in compliance with the transparency obligations, we, the Local Placement Agents and the initial purchasers reserve the right to terminate the offering at any time in compliance with applicable law and to reject, in whole or in part, any Expression of Interest due to mistake, omission or non-compliance with laws, and to not allocate any notes or allocate notes in a lower amount than that requested by an investor in its Expression of Interest in accordance with the allocation procedures described below. In addition, the initial purchasers and the Local Placement Agents reserve the right to reject Expressions of Interest for lack of compliance with the requirements of the anti-money laundering regulations.

Offering Period

In Argentina, the Expressions of Interest must be made with the Argentine Placement Agents, who will in turn submit them to the initial purchasers in accordance with procedures to be determined by the initial purchasers. Subject to the CNV rules and other applicable regulations, the Local Placement Agents may request that investors in Argentina that make Expressions of Interest provide payment guarantees in respect of their requested orders. Outside of Argentina, the Expressions of Interest must be made with the initial purchasers.

The Expressions of Interest may only be made during the period beginning on June 2, 2016 at 10:00 am Buenos Aires time and ending on June 8, 2016 (the "Allocation Date") at 1:00 pm Buenos Aires time (such period, the "Offering Period," and the date and time of the expiration of the Offering Period, the "Final Time for Filing Expressions of Interest"). After the Final Time for Filing Expressions of Interest, no new Expressions of Interest will be recorded in the electronic registry book.

Between 1:00 and 5:00 pm Buenos Aires time on the Allocation Date, the initial purchasers shall record in the electronic registry book all Expressions of Interest received before the Final Time for Filing Expressions of Interest and shall thereafter close the electronic registry book (the exact date and time of the effective registration of the Expressions of Interest in the electronic registry book and closing of the electronic registry book determined by the initial purchasers in their sole discretion within the range described above) (the "Register Closing Time"). Any Expressions of Interest received before the Final Time for Filing Expressions of Interest shall not be binding and may be withdrawn or modified until the Register Closing Time. In accordance with the provisions of Article 7, Section I, Chapter IV, Title VI of the CNV rules (as amended by Resolution No. 662/2016 of the CNV), investors may waive their right to expressly ratify their Expressions of Interest with effect as of the Register Closing Time. Accordingly, all Expressions of Interest not withdrawn or modified as of the Register Closing Time shall constitute firm, binding and definitive offers based on the terms presented (as amended as of such time) with effect as of the Register Closing Time, without need for any further action by the investor.

Allocation

On the Allocation Date, after the closing of the electronic registry book by the initial purchasers, we, jointly with the initial purchasers, will determine: (i) the issue price, (ii) the interest rate, (iii) the applicable yield determined by us (the "Applicable Yield") and (iv) the amount of the notes to be issued, in each case based on the offers received and in accordance with the book-building procedures.

In addition, following the final allocation of the notes on the Allocation Date, we will publish a notice announcing the results of the placement of the notes on the CNV webpage and, as soon as possible thereafter, in the BCBA Bulletin and the MAE electronic Bulletin specifying the amount of notes to be issued, the issue price, the interest rate and the Applicable Yield (the "Results Notice").

Amendment, Suspension and/or Extension

The Offering Period may be modified, suspended or extended prior to expiration of the original term, by public announcement. Neither we, the Local Placement Agents or the Initial Purchasers shall be responsible in the

event of a modification, suspension or extension of the Offering Period or of the Allocation Date, and those investors who have submitted an Expression of Interest shall not be entitled to any compensation as a result thereof. In the event the Allocation Date is terminated or revoked or a decision is made not to issue the notes or proceed with the offering, all Expressions of Interest received shall automatically expire.

In the event the Offering Period is suspended or extended, investors that have submitted Expressions of Interest during that period may in their sole discretion and without penalty withdraw such Expressions of Interest at any time during the period of the suspension or the new extended Offering Period.

Rejection of Expressions of Interest; Termination of Placement

Expressions of Interest may be rejected if they contain mistakes or omissions that make their processing unduly burdensome or impede their processing in the system, or for non-compliance with laws as further described below.

Those investors who have submitted Expressions of Interest must provide to the Local Placement Agents or the initial purchasers all information and documentation they may require in order to comply with applicable laws and regulations related to the prevention of anti-money laundering and the financing of terrorism. In cases where the information provided is inadequate, incomplete and/or untimely, the Local Placement Agents and the initial purchasers may, without liability, reject such Expressions of Interest.

We, the Local Placement Agents and the initial purchasers reserve the right to reject an Expression of Interest if any of us considers that applicable laws or regulations have not been satisfied. Such applicable laws and regulations include those related to anti-money laundering, such as those issued by the UIF, the CNV or the Central Bank, as well as any applicable securities regulations. Any decision to reject an Expression of Interest will take into account the principle of fair treatment among investors.

Any modification of these procedures will be published for one business day on the CNV's webpage and in the BCBA's official gazette as well as in the MAE's electronic gazette.

We may terminate the placement of notes during or immediately following the completion of the Offering Period if: (i) no Expressions of Interest have been received or all of the Expressions of Interest have been rejected; (ii) the yield offered by investors was higher than the yield we expected; (iii) the Expressions of Interest represent a principal amount of the notes that, being reasonably considered, would not justify the issuance of the notes; (iv) taking into account the resulting economic equation, the issuance of the notes is unprofitable for us; or (v) there were material adverse changes in the international financial markets and/or the local or international capital markets, or in our general condition and/or that of Argentina, including, for example, political, economic, financial conditions or our credit, such that the issuance of notes described within this offering memorandum would not be advisable; or (vi) investors have not complied with laws and regulations related to anti-money laundering and the financing of terrorism, including those issued by the UIF, the CNV and the Central Bank. In addition, the offering of the notes may be terminated in accordance with the terms and conditions of the Purchase Agreement.

Allocation Procedures

Investors with Expressions of Interest indicating an Offered Yield lower than or equal to our Applicable Yield may purchase the notes subject to applicable laws and the allocation, as decided jointly by us and the initial purchasers based on the criteria described below.

We expect to place the notes mainly among international as well as Argentine institutional buyers, including, without limitation, investment funds, pension funds, insurance companies, financial institutions, securities brokers and private banking accounts managers. We shall give preference to those Expressions of Interest received from investors who, in general, maintain long-term positions in securities of same type as that of the notes, thereby making it more likely that the secondary market for the notes benefits from a stable investor base that is able to understand credit risk and which intends to maintain a long-term position in the notes, This, in turn, helps to create a benchmark for the notes which we expect will facilitate our future access to the international capital markets.

Specifically, Expressions of Interest received from institutional investors, regulated investors or international financial institutions will be granted preference.

The criteria for allocating the notes among the investors to be applied by us shall be based on, among others, the investor's previous international transactions involving issuers in emerging markets, the size of the Expression of Interest, the competitiveness of the Offered Yield, the investor's interest in our credit profile and the investor's creditworthiness.

We cannot assure investors that their Expressions of Interest will be allocated nor that, if allocated, they will be allocated the full amount of the notes requested or that the proportion of the allocation of the aggregate amount of notes requested between two equal Expressions of Interest will be the same.

No investor having submitted an Expression of Interest with an Offered Yield higher than the Applicable Yield determined by us shall receive any notes. Neither we nor the initial purchasers nor the Local Placement Agents shall have any obligation to inform any investor whose Expression of Interest have been totally or partially excluded, that such Expressions of Interest have been totally or partially excluded.

Settlement

The settlement of the notes took place on the issue date of the notes, which was June 15, 2016 or the date provided in the Results Notice. All notes shall be paid by the investors on or before the issue date in U.S. Dollars by wire transfer to an account outside of Argentina to be specified by the initial purchasers and/or the Local Placement Agents in accordance with standard market practice.

The investors acquiring the notes will not be under any obligation to pay any commissions, unless such investor makes the transaction through its broker, agent, commercial bank, trust company or other entity, in which case such investor may have to pay commissions and/or fees to such entities, which shall be such investor's exclusive responsibility. Likewise, in the event of transfers or other acts or records with respect to the notes, including in the collective depository system, DTC may charge fees to the participants, which may be passed on to the holders of the notes.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a "Member State"), the initial purchasers have represented and agreed, and each further initial purchaser appointed under the programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "Relevant Implementation Date") it has not made and will not make an offer to the public of any notes that are the subject of the offering contemplated by this offering memorandum as completed by the final terms in relation thereto to the public in that Member State other than:

- at any time, to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- at any time, to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers; or
- at any time, in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of notes shall require us or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer

and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Member State. The European Economic Area selling restriction is in addition to any other selling restrictions included in this offering memorandum.

Notice to Prospective Investors in the United Kingdom

Each initial purchaser has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Switzerland

This offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, this offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of

Hong Kong) and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The contents of this offering memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this pricing supplement and the accompanying offering memorandum, you should obtain independent professional advice.

Notice to Prospective Investors in Japan

The notes offered in this offering memorandum have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than U.S.$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law.
- Notice to Prospective Investors in Brazil

The offering of the notes described in this offering memorandum will not be carried out by any means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, and under CVM Rule (*Instrução*) No. 400, of December 29, 2003, as amended. The offering and sale of the notes have not been and will not be registered with the *Comissão de Valores Mobiliários* in Brazil. Any public offering of the notes in Brazil, as defined under Brazilian laws and regulations, requires prior registration with the CVM under Law No. 6,385, dated of 7 December 1976, as amended, and CVM Instruction No. 400, dated 29 December 2003, as amended. Therefore, the notes may not be issued, distributed, offered, placed or negotiated in the Brazilian capital markets, except in circumstances which do not constitute a public offering, distribution, placement or negotiation in the Brazilian capital markets, as well as any documents relating to the offering of the notes and any information contained in those documents, may not be distributed to the public in Brazil nor be used in connection with any offer for subscription or sale of the notes to the public in Brazil.

Notice to Prospective Investors in Chile

The offering of the notes began on June 2, 2016 and was subject to General Rule No. 336 of the Chilean Securities Commission (*Superintendencia de Valores y Seguros de Chile*, or the "SVS"). The notes being offered are not registered in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the notes are not subject to the supervision of the SVS. As with all unregistered securities, the issuer of the notes is not required to disclose public information about the notes in Chile. The notes may not be publicly offered in Chile unless they are registered in the corresponding securities registry.

La oferta de los valores comenzó el 2 de junio del 2016 y fue acogida a la NCG 336 de la superintendencia de Valores y Seguros de Chile (la "SVS"). La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que los valores no están sujetos a la fiscalización de dicho organismo. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Estos valores no pueden ser objeto de oferta pública a menos que sean inscritos en el registro de valores correspondiente.

Notice to Prospective Investors in Colombia

The notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to offer privately the notes to their Colombian clients.

Notice to Prospective Investors in Peru

The notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and therefore, the disclosure obligations set forth therein will not be applicable to us or the sellers of the notes before or after their acquisition by prospective investors. The notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the SMV nor have they been registered under the Peruvian Securities Market Law (Ley del Mercado de Valores) or any other Peruvian regulations. Accordingly, the notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

TRANSFER RESTRICTIONS

The notes are subject to the following restrictions on transfer. Holders of notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their notes. By acquiring notes, holders will be deemed to have made the following acknowledgments, representations to and agreements with us and the initial purchasers.

(1) You acknowledge that:

- the notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any other jurisdiction; and

- unless so registered, the notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below;

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours and you are not acting on our behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are acquiring the notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchaser is selling the notes to you in reliance on Rule 144A under the Securities Act; or

- you are purchasing the notes in an offshore transaction in accordance with Regulation S under the Securities Act;

(3) You agree on your own behalf and on behalf of any investor account for which you are purchasing notes, and each subsequent holder of notes by its acceptance of the notes will agree, that the notes may be offered, sold or otherwise transferred only:

- to us,

- inside the United States to a qualified institutional buyer (as defined in Rule 144A) in compliance with Rule 144A under the Securities Act,

- outside the United States in compliance with Rule 903 or 904 under the Securities Act,

- pursuant to the exemption from registration provided by Rule 144 under the Securities Act, if available, or under any other applicable exemption from the registration requirements of the Securities Act, or

- pursuant to a registration statement that has been declared effective under the Securities Act;

(4) You acknowledge that we and the trustee reserve the right to require, in connection with any offer, sale or other transfer of notes prior to the expiration of the resale restriction period, the delivery of written certifications and/or other information satisfactory to us and the trustee as to compliance with the transfer restrictions referred to above;

(5) You agree to deliver to each person to whom you transfer notes, notice of any restrictions on transfer of such notes; and

(6) You acknowledge that each Rule 144A global note will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE RESOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS, ACKNOWLEDGES AND AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) IN COMPLIANCE WITH RULE 144A, UNDER THE SECURITIES ACT, TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF AVAILABLE), (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF ANY STATE THEREIN."

(7) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by your purchase of notes is no longer accurate, you shall promptly notify us and the relevant initial purchaser. If you are acquiring any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

INDEPENDENT ACCOUNTANTS

Our Audited Consolidated Financial Statements for the years ended December 31, 2015, 2014 and 2013 included in this offering memorandum have been audited by Price Waterhouse & Co. S.R.L. (a member firm of the PricewaterhouseCoopers network), independent accountants, as stated in their report included herein (which contains an emphasis of matter paragraph describing the following factors that affected our activities and the activities of certain of our subsidiaries as of December 31, 2015, 2014 and 2013: (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisition of the Company and other legal entities, which later resulted in our merger with Multicanal and other companies; (ii) changes to the regulatory framework applicable to telecommunication service providers, including us, which are expected to stem from the Argentine Digital Law approved in 2014, the implementation of which remains uncertain as of December 31, 2015; (iii) the issuance of Decree No. 267/2015, which introduced changes to the regulatory framework for the telecommunication and audiovisual services, through which Enacom was created as regulator under Laws No. 26,522 and 27,078; (iv) the resolution No. 50 issued by the SCI including the formula to calculate the monthly fees to be paid by cable television subscribers, which effects are uncertain as of the date of issuance of said opinion; and (v) the enactment of Law No. 19,307 in the Republic of Uruguay, which regulates the main activities of our subsidiary Adesol, which has not yet been implemented as of the date of issuance of said such opinion) appearing herein.

With respect to our Unaudited Condensed Consolidated Interim Financial Statements as of March 31, 2016 and for the three months ended March 31, 2016 and 2015 included in this offering memorandum, Price Waterhouse & Co. S.R.L. reported that they have applied limited procedures in accordance with professional standards in connection with their review of such information. However, their separate report dated May 10, 2016, included in this offering memorandum (which contains an emphasis of matter paragraph describing the following factors that affected our activities and the activities of certain of our subsidiaries as of March 31, 2016: (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisition of the Company and other legal entities, which later resulted in our merger with Multicanal and other companies and (ii)resolution No. 50 issued by the SCI including the formula to calculate the monthly feed to be paid by cable television subscribers, which effects are uncertain as of the date of issuance of said report) states that they did not audit and they do not express an opinion on such unaudited interim financial information. Accordingly, the degree of reliance on their report should be restricted in light of the limited nature of the review procedures applied.

GENERAL INFORMATION

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance of the notes, including the satisfaction of the notification requirements of the CNV. Investors are advised to review the indenture relating to the notes. You may obtain a copy of the indenture relating to the notes and of the form of notes by contacting us or the Trustee at the respective addresses indicated in this offering memorandum.

Litigation

Except as described in this offering memorandum, we are not involved in any litigation or arbitration proceeding which is material in the context of the issuance of the notes, nor so far as we are aware is any such litigation or arbitration proceeding pending or threatened.

Clearing

We have applied to have the notes accepted into DTC's book-entry settlement system. We will apply to have the notes accepted for clearance through the clearing systems of Euroclear and Clearstream. The securities codes are as follows:

	ISIN Number	CUSIP Number	Common Codes
Notes:			
Rule 144A Global Note	US12686NAT28	12686N AT2	143337260
Regulation S Global Note.....	USP19157AR03	P19157 AR0	143337278

Listing

We have applied to have the notes listed on the MERVAL and we expect them to be eligible for trading on the MAE.

We have applied to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of the Luxembourg Stock Exchange in accordance with its rules and regulations. The notes are not yet listed. If any European or national legislation is adopted and is implemented or takes effect in Luxembourg in a manner that would impose requirements on us that we, in our discretion determine are impracticable or unduly burdensome, we may delist the notes. In these circumstances, there can be no assurance that we would obtain an alternative admission to listing, trading and/or quotation for the notes by another listing authority, exchange and/or system within or outside the European Union.

We have initially appointed Deutsche Bank Luxembourg S.A. to serve as our Luxembourg listing, paying and transfer agent. You can contact the listing, paying, and transfer agent at the address listed on the inside back cover of this offering memorandum.

Available Information

Copies of our by-laws, the indenture, as may be amended or supplemented from time to time, our Financial Statements are available in electronic format, free of charge, at our principal executive offices in Buenos Aires, as well as at the offices in New York of the trustee, registrar, paying agent and transfer agent, as such addresses are set forth in this offering memorandum. We believe the auditor's reports included herein have been accurately reproduced.

Financial Condition

There has been no material adverse change in our financial condition since March 31, 2016.

VALIDITY OF THE NOTES

The validity of the notes will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, our special United States counsel, and Errecondo, Gonzalez & Funes, our Argentine counsel, and for the initial purchasers by Linklaters LLP, United States counsel to the initial purchasers, and Marval, O'Farrell & Mairal, Argentine counsel to the initial purchasers.

As to all matters of Argentine law, Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of Errecondo, Gonzalez & Funes, and Linklaters LLP may rely upon the opinion of Marval, O'Farrell & Mairal. As to all matters of United States law, Errecondo, Gonzalez & Funes may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP, and Marval, O'Farrell & Mairal may rely on the opinion of Linklaters LLP.

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of Cablevisión S.A.

Audited Consolidated Financial Statements (as of and for the years ended December 31, 2015, 2014 and 2013)

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Independent auditor's report

To the Shareholders, President and Directors of
Cablevisión S.A.
Gral. Hornos 690
Autonomous City of Buenos Aires

We have audited the accompanying consolidated financial statements of Cablevisión S.A. and its subsidiaries, which comprise the consolidated financial statements as at December 31, 2015, 2014 and 2013 and the consolidated statements of comprehensive income, changes in equity and cash flows for the three years in the period ended December 31, 2015, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements 4

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards 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 of 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 control6. 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 present fairly, in all material respects, the financial position of Cablevisión S.A. and its subsidiaries as at December 31, 2015, 2014 and 2013, and of their financial performance and cash flows for the years then ended in accordance with IFRS issued by the IASB.

Emphasis of matter

We draw attention to the information contained in Notes 4 a), 4 b), 29.1.v), 28.2, 28.3, 29.1.i) and 28.5 to the consolidated financial statements, which describe (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisitions of the Company and other legal entities, which later resulted in the merger of the Company with Multicanal S.A. and other companies; (ii) changes to the regulatory framework applicable to telecommunication service providers, including

the Company, that are expected to stem from the Argentine Digital Law approved in 2014, the implementation of which remains uncertain as of December 31, 2015; (iii) the issuance of Decree No. 267/2015, which introduced changes to the regulatory framework for the telecommunication and audiovisual services, through which ENACOM was created as regulator under Laws No. 26,522 and 27,078; (iv) the resolution No. 50 issued by the *Secretaría de Comercio* including the formula to calculate the monthly fees to be paid by cable television subscribers, which effects are uncertain 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, one of the Company´s subsidiary, which has not yet been implemented as of the date of this report. Our opinion is not qualified in respect to these matters. :.

PRICE WATERHOUSE & CO. S.R.L.

Gustavo Ariel Vidan (Partner)
Autonomous City of Buenos Aires, March 8, 2016

Cablevisión S.A.

Consolidated Financial Statements
as of December 31, 2015, 2014 and 2013
presented on a comparative basis

Cablevisión S.A.

Consolidated Financial Statements
as of December 31, 2015, 2014 and 2013
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Cablevisión S.A.

Legal Address:	Gral. Hornos 690 – Autonomous City of Buenos Aires, Republic of Argentina
Main Company's business:	Cable television networks operator – Communal antenna – Telecommunication services – Investments in companies

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

REGISTRATION DATE IN THE SUPERINTENDENCY OF CORPORATIONS:

Bylaws:	August 29, 1979
Latest amendment of Bylaws:	June 29, 2006
Registration number in the Superintendency of Corporations:	172,061
Bylaws expiration date:	August 29, 2078
Information about the parent company:	
Denomination:	Grupo Clarín S.A.
Legal address:	Piedras 1,743 - Autonomous City of Buenos Aires, Republic of Argentina

CAPITAL STRUCTURE (*)

	Subscribed and paid-in		
	12.31.15	**12.31.14**	**12.31.13**
	Ps.		
Common book-entry Class "A" shares, with a nominal value of Ps. 1, and entitled to one vote per share	157,862,000	157,862,000	157,862,000
Common book-entry Class "B" shares, with a nominal value of Ps. 1, and entitled to one vote per share.	39,742,267	39,742,267	39,742,267
	197,604,267	197,604,267	197,604,267

(*) Including treasury shares.

Consolidated Statement of Comprehensive Income
December 31, 2015, 2014 and 2013

	Notes	12.31.2015	12.31.2014	12.31.2013
			Ps.	
Continuing operations				
Revenues	**6**	20,125,357,239	14,226,131,448	9,749,110,175
Cost of sales (1)	**7**	(9,243,975,860)	(7,233,213,319)	(5,279,873,858)
Gross income		10,881,381,379	6,992,918,129	4,469,236,317
Selling expenses (1)	**8**	(2,524,906,935)	(1,802,896,026)	(1,311,747,750)
Administrative expenses (1)	**8**	(2,627,972,838)	(1,727,524,407)	(1,284,476,394)
Other income and expenses, net		1,685,031	8,425,440	9,453,642
Financial costs	**9**	(2,784,674,993)	(1,546,377,109)	(1,210,605,603)
Other financial income and expenses, net	**10**	(28,217,451)	(60,559,284)	7,723,131
Financial results		(2,812,892,444)	(1,606,936,393)	(1,202,882,472)
Equity in earnings from associates	**11**	504,747,128	57,731,847	127,529,467
Net income before income tax		3,422,041,321	1,921,718,590	807,112,810
Income tax	**12**	(909,187,780)	(596,955,823)	(60,548,179)
Net income for the year		**2,512,853,541**	**1,324,762,767**	**746,564,631**
Other comprehensive income				
Items that can be reclassified to earnings				
Variation in translation differences of foreign operations		146,568,999	355,352,649	308,849,137
Total comprehensive income for the year		2,659,422,540	1,680,115,416	1,055,413,768
Earnings from operations attributable to:				
Equity holders of the Company		2,473,366,772	1,287,185,928	710,576,297
Non-controlling interests		39,486,769	37,576,839	35,988,334
Total comprehensive income attributable to:				
Equity holders of the Company		2,646,458,050	1,603,828,509	972,566,575
Non-controlling interests		12,964,490	76,286,907	82,847,193

(1) Includes amortization of intangible assets and depreciation of property, plant and equipment of Ps. 1,566,174,439, Ps. 1,231,220,143 and Ps. 977,638,720 at December 31, 2015, 2014 and 2013, respectively.

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

As of December 31, 2015, 2014 and 2013

	Note	12.31.15	12.31.14	12.31.13
			Ps.	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	**13**	8,450,192,402	5,852,111,830	4,644,099,517
Intangible assets	**14**	66,119,113	93,924,728	119,956,655
Goodwill	**15**	3,143,248,654	3,177,997,783	3,122,995,263
Investments in associates	**17**	1,370,204,458	110,322,719	96,917,911
Investments	**16**	697,057,242	585,321,308	358,283,220
Deferred tax asset	**12**	74,256,927	53,257,059	29,224,732
Other receivables	**18**	1,271,286,271	76,349,006	153,008,863
Trade receivables	**20**	-	88,892,564	126,041,518
Total non-current assets		**15,072,365,067**	**10,038,176,997**	**8,650,527,679**
CURRENT ASSETS				
Inventories	**19**	4,853,955	5,984,228	4,457,714
Other receivables	**18**	490,719,774	337,805,569	321,757,247
Trade receivables	**20**	1,263,859,164	1,001,671,984	701,143,111
Investments	**16**	911,123,423	1,051,394,900	104,779,047
Cash and banks	**21**	1,765,860,661	940,114,763	962,587,614
Total current assets		4,436,416,977	**3,336,971,444**	**2,094,724,733**
Total assets		**19,508,782,044**	**13,375,148,441**	**10,745,252,412**
SHAREHOLDERS' EQUITY (as per related statement)				
Attributable to equity holders of the Company				
Shareholders contributions	**22**	334,732,918	334,732,918	334,732,918
Reserves and accumulated results	**23**	8,095,562,585	5,885,104,535	4,675,276,026
Attributable to non-controlling interests	**24**	295,977,472	286,437,581	212,804,480
Total shareholders' equity		**8,726,272,975**	**6,506,275,034**	**5,222,813,424**
LIABILITIES				
NON-CURRENT LIABILITIES				
Bank and financial debt	**25**	3,866,186,846	2,818,771,931	2,600,117,445
Deferred tax liability	**12**	24,684,471	48,499,441	22,944,327
Provisions and other charges	**29**	281,903,813	201,586,678	166,450,745
Taxes payable	**30**	10,123,846	2,197,151	3,623,383
Other payables	**31**	110,991,475	105,947,918	90,801,898
Total non-current liabilities		**4,293,890,451**	**3,177,003,119**	**2,883,937,798**
CURRENT LIABILITIES				
Bank and financial debt	**25**	2,754,982,652	1,288,200,032	955,091,198
Taxes payable	**30**	822,747,954	677,801,624	228,002,054
Other payables	**31**	160,454,506	121,292,520	90,785,209
Accounts payable and others	**32**	2,750,433,506	1,604,576,112	1,364,622,729
Total current liabilities		**6,488,618,618**	**3,691,870,288**	**2,638,501,190**
Total liabilities		**10,782,509,069**	**6,868,873,407**	**5,522,438,988**
Total liabilities and shareholders' equity		**19,508,782,044**	**13,375,148,441**	**10,745,252,412**

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

Cablevisión S.A.

Consolidated Statement of Changes in Equity

As of December 31, 2015, 2014 and 2013

	EQUITY ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS									
	SHAREHOLDERS` CONTRIBUTIONS						ACCUMULATED RESULTS			
	Number of common shares Ps. 1 par value	Share capital	Treasury shares	Additional paid – in capital	Merger premium	Sub-total	Legal Reserve	Voluntary reserve	Special reserve – Application of IFRS	Accumulated results
Balances as of January 1, 2013	197,604,267	197,602,796	1,471	134,234,500	2,894,151	334,732,918	39,520,853	2,791,195,739	-	878,393,310
Distribution of dividends as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 23, 2013 (1)	-	-	-	-	-	-	-	-	-	(250,000,000)
Constitution of voluntary reserve as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 23, 2013	-	-	-	-	-	-	-	585,617,440	-	(585,617,440)
Constitution of special reserve - NIIF application - as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 23, 2013	-	-	-	-	-	-	-	-	42,775,870	(42,775,870)
Transfer of treasury shares dated November 26, 2013	-	(847)	847	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	710,576,297
Other comprehensive income:										
Change in currency translation of foreign operations	-	-	-	-	-	-	-	-	-	-
Sub-total comprehensive income for the year	-	-	-	-	-	-	-	-	-	710,576,297
Distribution of dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balances as of December 31, 2013	197,604,267	197,601,949	2,318	134,234,500	2,894,151	334,732,918	39,520,853	3,376,813,179	42,775,870	710,576,297
Balances as of January 1, 2014	197,604,267	197,601,949	2,318	134,234,500	2,894,151	334,732,918	39,520,853	3,376,813,179	42,775,870	710,576,297
Transfer of treasury shares dated January 6, 2014	-	(204,839)	204,839	-	-	-	-	-	-	-
Constitution of voluntary reserve as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2014	-	-	-	-	-	-	-	316,576,297	-	(316,576,297)
Distribution of dividends as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2014 (1)	-	-	-	-	-	-	-	-	-	(394,000,000)
Net income for the year	-	-	-	-	-	-	-	-	-	1,287,185,928
Other comprehensive income:										
Change in currency translation of foreign operations	-	-	-	-	-	-	-	-	-	-
Sub-total comprehensive income for the year	-	-	-	-	-	-	-	-	-	1,287,185,928
Distribution of dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Decreasing of non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balances as of December 31, 2014	197,604,267	197,397,110	207,157	134,234,500	2,894,151	334,732,918	39,520,853	3,693,389,476	42,775,870	1,287,185,928

(1) Dividends distributed in 2014 were Ps. 394 million (Ps. 1.99 per share), of which Ps. 393.9 (Ps. 1.99 per share) were paid; and dividends distributed in 2013 were Ps. 250 million (Ps. 1.27 per share), o
paid, respectively.

The accompanying notes are an integral part of these consolidated financial

Cablevisión S.A.
Consolidated Statement of Changes in Equity
As of December 31, 2015, 2014 and 2013

	EQUITY ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS									
	SHAREHOLDERS` CONTRIBUTIONS						ACCUMULATED RESULTS			
	Number of common shares Ps. 1 par value	Share capital	Treasury shares	Additional paid – in capital	Merger premium	Sub-total	Legal Reserve	Voluntary reserve (3)	Special reserve – Application of IFRS	Accumulated results
Balances as of January 1, 2015	197,604,267	197,397,110	207,157	134,234,500	2,894,151	334,732,918	39,520,853	3,693,389,476	42,775,870	1,287,185,928
Constitution of voluntary reserve as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 23, 2015	-	-	-	-	-	-	-	851,185,928	-	(851,185,928)
Distribution of dividends as decided at the Ordinary and Extraordinary Shareholders' Meeting held on April 23, 2015 (2)	-	-	-	-	-	-	-	-	-	(436,000,000)
Net income for the year	-	-	-	-	-	-	-	-	-	2,473,366,772
Other comprehensive income:										
Change in currency translation of foreign operations	-	-	-	-	-	-	-	-	-	-
Sub-total comprehensive income for the year	-	-	-	-	-	-	-	-	-	2,473,366,772
Distribution of dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balances as of December 31, 2015	197,604,267	197,397,110	207,157	134,234,500	2,894,151	334,732,918	39,520,853	4,544,575,404	42,775,870	2,473,366,772

(2) Dividends distributed in 2015 were Ps. 436 million (Ps. 2.21 per share), of which Ps. 435.9 (Ps. 2.21 per share) were paid; and dividends distributed in 2014 were Ps. 394 million (Ps. 1.99 per share), o
paid, respectively.

(3) At December 31, 2015, includes Ps. 900 million voluntary reserve for future distributions of dividends and Ps. 3,644.6 million voluntary reserve to maintain the level of investments in fixed assets and th

Cablevisión S.A.

Consolidated Statement of Cash Flows

As of December 31, 2015, 2014 and 2013

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
CASH FLOWS PROVIDED BY OPERATIONS			
Net income for the year	2,512,853,541	1,324,762,767	746,564,631
Accrued income tax	909,187,780	596,955,823	60,548,179
Adjustments to reconcile the net income for the period to net cash flows provided by operations:			
Equity in earnings from associated companies	(504,747,128)	(57,731,847)	(127,529,467)
Depreciation of property, plant and equipment	1,531,614,402	1,197,127,794	892,652,839
Amortization of intangible assets	34,560,037	34,092,349	84,985,881
Obsolescence of material	9,479,003	5,624,740	4,095,915
Allowances	303,106,602	222,493,819	150,967,403
Result for the sale of property, plant and equipment	(457,965)	(2,194,723)	(1,415,546)
Accrued interest, net	349,300,952	313,316,625	234,425,047
Financial results – sundry	1,426,170,841	1,008,067,473	851,865,864
Changes in assets and liabilities			
Trade receivables	(440,383,213)	(404,670,303)	(330,657,075)
Other receivables	(485,855,029)	76,328,810	(139,607,957)
Inventories	2,571,045	(1,890,474)	4,146,118
Accounts payable and others	1,149,389,554	239,141,971	286,368,510
Taxes payable	(48,891,277)	(37,735,067)	51,899,582
Other payables and provisions	22,044,289	(4,339,813)	563,048
Change in currency translation of foreign operations	45,606,597	156,311,359	69,298,170
Collection of interest	273,401,190	71,427,634	32,197,684
Income tax paid	(749,488,503)	(109,170,492)	(348,903,318)
Net cash flows provided by operations	6,339,462,718	4,627,918,445	2,522,465,508
CASH FLOWS USED IN INVESTMENT ACTIVITIES			
Acquisition of participations in companies	(799,231,498)	-	(24,438,078)
Net increase of intangible assets and goodwill	(6,777,958)	(8,044,237)	-
Acquisition of notes and bonds, net	154,406,226	(702,129,651)	(51,848,705)
Call option - Nextel	(849,919,134)	-	-
Collection of dividends	32,103,387	36,677,039	70,614,878
Collection of notes and bonds	222,874,183	2,442,552	3,846,196
Collection for the sale of property, plant and equipment	439,964	3,980,657	2,583,467
Net increase of property, plant and equipment	(4,172,548,088)	(2,370,672,307)	(1,775,741,862)
Net cash flows used in investment activities	(5,418,652,918)	(3,037,745,947)	(1,774,984,104)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Settlement of dividends	(435,858,858)	(393,868,866)	(249,652,216)
Collection / (Settlement) of financial instruments	47,307,700	4,242,112	(4,680,000)
Increase of loans	1,271,321,743	656,643,839	44,855,347
Partial advance settlement of investment for the purchase of notes of subsidiaries	-	-	67,182,254
Settlement of loans – interests	(587,392,721)	(446,258,410)	(277,369,012)
(Transfer) / Contribution to reserve account and others	-	(11,428,239)	(16,523,702)
Distribution of dividends to non-controlling interests	(3,424,599)	(2,495,408)	(2,001,222)
Settlement of loan principal and issuing expenses	(857,995,614)	(1,135,159,892)	(289,004,906)
Net cash flows used in financing activities	(566,042,349)	(1,328,324,864)	(727,193,457)
Net increase in cash	354,767,451	261,847,634	20,287,947
Cash at the beginning of year	1,333,264,395	1,013,205,809	919,091,423
Effect of exchange rate changes on cash and cash equivalents	488,645,358	58,210,952	73,826,439
Cash at the end of the year (1) (See Note 2.23)	2,176,677,204	1,333,264,395	1,013,205,809
(1) Includes:			
Cash and banks	1,765,860,661	940,114,763	962,587,614
Investments with a maturity not exceeding three months	410,816,632	393,149,632	50,618,195

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

NOTE 1 - GENERAL INFORMATION AND PURPOSE OF CONSOLIDATED FINANCIAL STATEMENTS

Cablevisión S.A. ("Cablevisión" or the "Company") was organized on April 5, 1979, to engage in the business of installing, operating and developing supplementary broadcasting services.

The main business of the Company and certain of its subsidiaries consists in operating cable television networks in several locations in Argentina and Uruguay and in the provision of telecommunication services.

Cablevisión is the largest multiple system operator ("MSO") in Argentina and one of the largest in Latin America. A MSO is a company that owns multiple cable systems in different locations under the control and management of a single, common organization.

The Company provides pay television services pursuant to of licenses issued by the Federal Broadcasting Committee (Comité Federal de Radiodifusión or "COMFER") and telecommunication services pursuant to of licenses issued by the Secretary of Communications ("Secom").

These special consolidated financial statements as of December 31, 2015, 2014 and 2013 have been prepared for the sole purpose of being presented accompanying a prospectus required for the issuance of Notes. They have been prepared based on the statutory consolidated financial statements of the Company as of the same dates.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of preparation

The Comisión Nacional de Valores (Argentine Securities Commission or "CNV"), by means of General Resolutions No. 562/09 and No. 576/10, has ordered the application of Technical Resolutions ("TR") No. 26 and 29 of the Argentine Federation of Professional Councils of Economic Sciences ("Federación Argentina de Consejos Profesionales de Ciencias Económicas" or "FACPCE"). Such Resolutions adopt the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") for entities that are subject to the public offering regime of Law No. 26831, because they have either listed their shares or notes, or because they have requested authorization to be included under such regime. The FACPCE issues so-called Adoption Letters for the enforcement of IASB resolutions in Argentina.

These consolidated financial statements of the Company for the year ended December 31, 2015 presented on a comparative basis, have been prepared in accordance with IFRS. Some additional matters were included as required by the General Argentine companies Law and/or CNV regulations, including, the supplementary information set forth 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 standards. The consolidated financial statements have been prepared in accordance with the accounting policies of the Company, that are based on the IFRS issued by the IASB and the interpretations issued by the Interpretations Committee of the International Financial Reporting Standards ("IFRIC").

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

The attached consolidated information, approved by the Company's Board of Directors in its meeting of March 8, 2016, is presented in pesos (Ps.), the currency of legal tender in Argentina, and has been prepared on the basis of the accounting records of Cablevisión and its controlled companies.

Certain figures reported in the financial statements for the years ended December 31, 2014 and 2013 were reclassified for comparative purposes with this year.

2.2. Standards and Interpretations issued but not adopted to date

The Company has not adopted the IFRS or revisions of IFRS detailed 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. Said standard is applicable to the years beginning on or after January 1, 2018.

- IFRS 15 "Revenue from ordinary activities under contracts with customers": Issued in May 2014 and applicable to years beginning on or after January 1, 2018. It specifies how and when revenue will be recognized, as well as the additional information to be disclosed by the Company in the financial statements.

The standard provides a single, principles-based five-step model to be applied to all contracts with customers.

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

2.3. Standards and Interpretations issued 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. Said 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 of consolidation

These consolidated financial statements incorporate the financial statements of Cablevisión and the companies 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 it is evidenced by the voting rights, be it that the Company has the majority of voting rights or potential voting 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 financial statements incorporate the companies mentioned in 2.4.1.

For consolidation purposes, intercompany transactions and balances between the Company and its consolidated companies have been eliminated. Unrealized net income has also been eliminated. Below is a detail of the most significant consolidated subsidiaries, as well as the percentage of direct and indirect interest in the capital stock and votes of each of them as of the dates indicated:

		Participation rate in the share capital and votes		
Subsidiary	**Country**	**12.31.2015**	**12.31.2014**	**12.31.2013**

Fintelco S.A.	Argentina	100	100	100
Pem S.A.	Argentina	100	100	100
CV Berazategui S.A.	Argentina	70	70	70
Cable Imagen S.R.L. (3)	Argentina	100	100	100
Televisión Dirigida S.A. (2)	Paraguay	100	100	100
Cable Visión Comunicaciones S.A. (2)	Paraguay	-	-	100
Consorcio Multipúnto Multicanal (CMM) S.A. (2)	Paraguay	-	-	100
Wolves Televisión S.A.	Argentina	100	100	100
Adesol S.A. (1)	Uruguay	100	100	100
Ultima Milla S.A.	Argentina	100	100	100
Airevisión Internacional S.A.(3) (4)	Argentina	-	-	60
Primera Red Interactiva de Medios Argentinos (PRIMA) S.A. (“Prima”)	Argentina	100	100	100

(1) Includes interests in special purpose entities, to wit: Audomar, Bersabel, Dolfycor, Reiford, Space Energy, Tracel and Visión Satelital.
(2) On December 5, 2014, the activities and operations of Cable Visión Comunicaciones S.A., Producciones Unicanal S.A and Consorcio Multipunto Multicanal (CMM) S.A. were absorbed by Televisión Dirigida S.A. by way of merger.
(3) Data on the issuer arising from non-accounting information.
(4) Company dissolved dated October 20, 2015.

The financial statements of subsidiaries used for consolidation purposes bear the same closing date as these consolidated financial statements, cover the same periods, and have been prepared using exactly the same accounting policies as those used by the Company, which are described in the notes to the financial statements, or 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 purpose of rendering, on behalf of and by order of such companies, certain installation services, collections, administration of subscribers, marketing and technical assistance, financial and general business advising with respect to cable television 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 in the line-items “Equity attributable to non controlling interests” and “Net income attributable to non controlling interests”.

2.5. Business combinations

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

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

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 over the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or associate 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, after measurement thereof at fair value, 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. Investments in associates

An associate is an entity over which the Company has significant influence, without exercising control, generally accompanied by a 20%-50% holding of the voting power.

The associate's net income, assets and liabilities are included in these financial statements using the equity method. 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 the other comprehensive income obtained by the associate after the acquisition date. Any distributions received from the associate will reduce the book value of the investment. The investment in the Company's associates includes the goodwill identified in the acquisition, net of any impairment losses.

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 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 its subsidiaries) and the associates are eliminated considering the Company's interest in the associates.

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

Investments in companies in which the Company does not have control or significant influence have been valued at cost, which does not differ significantly from their fair value.

Transactions with the non-controlling interest that do not result in a loss of control are registered as asset transactions, i.e. as transactions with the owners in their capacity as such. The difference between the fair value of the consideration paid and the part of such consideration that corresponds to the book value of the subsidiary's net assets that underlie the acquired shares, is registered in equity. Gains or losses on sales to non controlling interests are also registered in equity.

When the Company ceases to have control, any interest retained in the entity is once again measured at its fair value as of the date on which it loses control, and the change in book value is registered in results. The fair value is the initial value for the purpose of the later registration of the retained interest as an associated company, joint arrangements or financial asset. In addition, the amounts previously recognized as other comprehensive income in respect of such entity are registered as if the Company had directly transferred the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified as income.

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 operating decisions related to the company's activities require the unanimous consent of the parties sharing control.

In the case of joint business arrangements executed through *Uniones Transitorias de Empresas* ("UTE"), considered jointly controlled operations under IFRS 11, the Company recognizes in its financial statements on a line-by-line basis, the jointly controlled assets, liabilities and net income, subject to joint control in proportion to

its share in such arrangements. Cablevisión indirectly holds a 50% interest in the UTE Ertach – Prima (See Note 34).

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 the 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.

Goodwill is tested for impairment annually or more often if there is any evidence of impairment. To test for impairment, goodwill is allocated to each of the Company's cash-generating units that are expected to provide benefits from the synergies of the respective combination. 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.

As mentioned under Note 28 – Regulatory Framework, the Company believes that the recoverability of goodwill could be affected by the final outcome of the circumstances described therein.

As of December 31, 2015, goodwill has not suffered any impairment.

2.9. Revenue recognition

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 (See Note 37.1).

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.

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

2.10. Leases

A lease is classified as a financial lease when the terms of the lease transfer to the lessee substantially all the risks and benefits inherent to ownership. All other leases are classified as operating leases.

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 financial statement as an obligation in line-item “Bank and financial debt”.

Lease payments are allocated 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. Financial expenses are charged to results during the period of the lease.

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

Operating leases are charged to income on a straight-line basis over the term of the lease.

2.11. Foreign currency and functional currency

The individual 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 preparation of consolidated financial statements, the net income and financial position of each entity are expressed 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 currencies of Uruguayan and Paraguayan companies are the Uruguayan peso and the Guaraní, respectively.

In preparing the financial statements of individual entities, 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 period, monetary items denominated in foreign currency are retranslated at the exchange rates prevailing on such dates. Exchange differences are charged to net income as incurred.

In preparing the Company's consolidated financial statements, asset and liability balances of the entities with functional currencies other than the Argentine peso, expressed in their own functional currency (Uruguayan peso and Guaraní), are translated into pesos at the exchange rate prevailing at the end of the period, while net income is translated at the exchange rate prevailing on the transaction date. Exchange differences are recognized in other comprehensive income as "Variation in translation differences of foreign operations", and in the Consolidated Statement of Changes in Equity they are presented under "Other reserve".

2.12. Current and deferred income tax

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

Current and deferred income tax is recognized as income or expense for the year, except where it relates to items credited or debited in other comprehensive income or equity, in which case the tax is also recognized in other comprehensive income or directly in equity, respectively. In the case of a business combination, the tax effect is taken into account in the calculation of goodwill or in the determination of the excess of the 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.

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 periods and items that are never taxable or deductible. The Company's current tax liability is calculated using the tax rate in effect as of the date of the financial statements. The current tax charge is calculated based on the tax rules effective in the countries where consolidated entities operate.

Deferred tax is recognized on temporary differences between the book value of the assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. Deferred tax liabilities are generally recognized for all temporary tax 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 to charge such deductible temporary differences. 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 does not affect the taxable or accounting income.

The book value of a deferred tax asset is reviewed at the end of each reporting period 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 taxes are recognized on temporary differences arising from investments in subsidiaries and associated companies, except for those deferred tax liabilities for which the Company may control the date on which temporary differences will revert and which are not likely to revert in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable in the period 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 assets and liabilities reflects the tax consequences that would follow from the way in which the entity expects, at the end of the reporting period, 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 such items, and if 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 IFRS, deferred tax assets and liabilities are classified as non current assets and liabilities, respectively.

2.12.1. Tax on assets

In Argentina, the tax on assets ("impuesto a la ganancia mínima presunta") is complementary 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 assesments 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, such 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 balance of the tax on assets has been capitalized in the consolidated financial statements for the amount estimated to be recoverable within the terms provided under the applicable statute of limitations based on the current business plans of controlled companies.

2.13. Property, plant and equipment

Property, plant and equipment 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, the residual value and the depreciation method are reviewed at the end of each year, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Works in progress are recorded at cost less any recognized impairment loss. Depreciation of these assets, as in the case of other property, begins when the assets are ready for their use.

Repair and maintenance expenses are expensed as incurred.

Borrowing costs that are directly attributable to the acquisition or construction of certain capital assets are capitalized as part of the cost of these assets until they are ready for their use or sale, according to IAS 23 ("Borrowing Costs"). The assets for which the borrowing costs are capitalized are those that require a substantial time before being ready for their use. In the years ended December 31, 2015 and 2014, the Company has not incurred these types of costs.

The gain or loss arising from the retirement or disposal of an asset is calculated as the difference between the income from the sale of the asset and the asset's book value, and recognized in line-item "Other income and expenses net" in the statement of comprehensive income.

The residual value of an asset is written down to its recoverable value if the residual value of the asset exceeds its estimated recoverable value (See Note 2.15).

The value of property, plant and equipment does not exceed its recoverable value at the end of the period. However, as set forth in Note 28 – Regulatory Framework, depending on the resolution of the circumstances indicated therein, this estimation could be affected.

2.14. Intangible assets

Intangible assets include trademarks and patents, exclusivity agreements, licenses, software and other rights, the purchase value of the subscriber portfolio, ongoing projects (mainly relating to software development) and other intangible assets. Accounting policies on the recognition and measurement of such intangible assets are described below.

2.14.1. Intangible assets acquired separately

Intangible assets acquired separately are valued at cost net of all 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, residual values and the amortization method at the end of each year, and accounts the effect of any changes in estimates on a prospective basis.

2.14.2. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination (subscriber portfolio) are identified and recognized separately with respect to 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 the acquisition date.

After initial recognition, the intangible assets acquired in a business combination are valued at cost net of accumulated amortization and impairment losses, on the same basis as intangible assets acquired separately. Amortization is calculated using the straight-line method over their estimated useful lives and does not exceed 10 years.

2.14.3. Information systems projects

Costs relating to the development or maintenance of computer software are generally registered as expenses as incurred. However, costs directly relating to the development, acquisition and implementation of information systems are registered as intangible assets if certain conditions are met, including their technological feasibility, the Company's intention to complete the development of the intangible asset and its likely future benefits.

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

Such assets are included under the columns "ongoing projects" and "software" (See Note 14).

2.15. Impairment of non financial assets except goodwill

At the end of each financial statement, the Company tests for impairment the book value of its non financial assets with a finite useful life. If there is any sign of impairment, the recoverable value of the assets is assessed in

order to determine the impairment loss (in the event the recoverable value is lower than the book value). When it is not possible to assess the recoverable value of an individual asset, the Company estimates the recoverable value of the cash generating unit ("CGU") to which such asset belongs. When a consistent and reasonable allocation basis may be identified, corporate assets are also allocated to an individual cash generating unit, or otherwise, they are allocated to the smallest group of cash generating units for which a consistent allocation basis may be identified.

An asset's recoverable value is the higher of its fair value less its selling expenses or its value in use.

In the determination of the value in use, estimated future cash flows are discounted at their present value using a pre-tax discount rate that reflects 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 (e.g., non financial assets unavailable for use) are not amortized, but are tested for impairment on an annual basis.

No impairment losses have been registered during the year. However, as set forth in Note 28 – Regulatory Framework, depending on the resolution of the circumstances indicated therein, this estimation could be affected.

Non-financial assets, except for goodwill, for which an impairment loss was recorded, are tested at the end of each year for a possible reversal of such impairment.

2.16. Inventories

Inventories have been valued at acquisition cost, in the customary purchase conditions for the Company, net of the allowance for impairment. Such allowance is calculated based on the recoverability analysis done by the Company at the end of the year by comparing cost with net realization value, i.e. the estimated cash selling price in the ordinary course of business less the necessary cost to make such sale. The cost of inventories is determined using the weighted average price method. The value of inventories does not exceed their recoverable value at the end of the year.

2.17. Other assets

The assets included in this line-item have been valued at their 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 the end of each year.

2.18. Provisions and other charges

Provisions for lawsuits and contingencies and accrual for asset retirement are recognized when the Company has a present obligation (whether legal or constructive) as a result of a past event, the Company is likely to require an outflow of resources to settle such 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 period, taking into account relevant risks and uncertainties. Where a provision is measured using the estimated cash flow necessary to settle the present obligation, its book value represents the present value of such cash flow.

Where some, all or a portion of the resources required to settle a provisioned liability are expected to be recovered, an account receivable is recognized as an asset, if it is virtually certain that the disbursement will be received and the amount of the account receivable may be reliably measured.

In estimating its obligations, the Company takes into consideration the opinion of its legal advisors.

2.19. Financial instruments

2.19.1. 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 are 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.

2.19.1.1. Classification of financial assets

Financial assets are classified within the following specific categories: "financial assets at fair value with changes in the net income" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition.

2.19.1.2. Recognition and measurement of financial assets

2.19.1.2.1. Financial assets at fair value with changes in net income

Financial assets at fair value with changes in net income (mainly mutual funds) are recorded at fair value, recognizing any gain or loss arising from any re-measurement in the consolidated statement of comprehensive income. The net gain or loss recognized in net income includes any gain or loss generated by the financial asset and is included in the income or financial cost line-item, as appropriate, in the consolidated statement of comprehensive income.

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

2.19.1.2.2. Loans and receivables

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

2.19.1.3. Impairment of financial assets

The Company tests financial assets for impairment at each closing date to assess if there is any objective evidence of impairment. The value of a financial asset or group of assets is impaired, and impairment losses are recognized, only when 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 group of assets that can be measured reliably.

Objective evidence of impairment may include, among other things, material 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 loans and receivables, assets that are not impaired on an individual basis are tested for impairment on a collective basis. The objective evidence of impairment of a receivable portfolio includes the Company's past collection record, an increase in delinquent payments, as well as 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 (excluding future non-incurred losses), discounted at

the financial asset's original effective interest rate. The book value of the asset is written down under a contra-account. The loss amount is recorded in the result of the period.

If in subsequent periods the impairment loss amount decreases and such decrease may be objectively related to an event subsequent to the recognition of the impairment (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 the net income for the year.

2.19.1.4. Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights over such asset's cash flows have expired or when it has transferred the financial asset and, therefore, all the risks and benefits inherent to the ownership of the asset have been transferred to another entity. If the Company retains substantially all the risks and benefits inherent to the ownership of a transferred asset, it shall continue to recognize it and it will recognize a liability for any amounts received.

2.19.2. Financial liabilities

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

2.19.2.1. Bank and financial debt

Bank and financial debts are initially valued at their fair value net of any incurred transaction costs, and subsequently valued at amortized cost using the effective interest rate method. Any difference between the initial value net of transaction costs and the settlement value is recognized in results over the term of the loan using the effective interest rate method. Interest expense has been allocated to the line-item "Financial costs" in the consolidated statement of comprehensive income, except for the portion allocated to works in progress, which are recorded in line-item "Property, plant and equipment" in the consolidated financial statement.

2.19.2.2. Accounts payable and others

Accounts payables with fixed or determinable payments are classified as "accounts payable and others". Accounts payable 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 where interest recognition is not material.

2.19.2.3. Derecognition of financial liabilities

The Company shall derecognize a financial liability (or part of it) when it is extinguished, i.e. when the obligation specified in the relevant contract is either discharged, cancelled or expires.

2.19.3. Derivatives and hedge accounting

The Company executes certain financial instruments to hedge its exposure to exchange rate risks.

Derivatives are initially recognized at fair value at the date of execution of the related contract and subsequently re-measured at fair value at the end of the reporting period. 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 relationship existing between the hedging instruments and the hedged items, as well as its risk management objectives and the strategy to implement 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 a hedging derivative is 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 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 gain or loss related to the ineffective portion, if any, is charged to net income as other income and expenses, net. Changes in the fair value of the Company's hedged liabilities denominated in foreign currency, attributable to the risk described above, are charged to net income under financial costs.

2.19.4. Debt refinancing - restructuring

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

2.20. Other payables

Other payables have been valued at their nominal value.

2.21. Capital

Ordinary shares are classified as equity (See Note 22).

2.22. Other receivables

2.22.1 Call option

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

2.23. Consolidated Statement of Cash Flows

For the purpose of preparing the statement of cash flows, "cash and cash equivalents" includes cash and bank balances, certain high liquidity short-term investments (with original maturity of less than 90 days), after deducting bank overdrafts payable on demand, to the extent they are an integral part of the Company's cash management.

Bank overdrafts are classified in line-item "Bank and financial debt" in the consolidated financial statement.

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

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Cash and banks	1,765,860,661	940,114,763	962,587,614
Investments:			

Fixed-term deposit	20,289,303	14,677,829	15,444,553
Mutual funds (1)	390,527,240	378,471,803	35,173,642
Notes and bonds (2)	-	-	-
Cash and cash equivalents	**2,176,677,204**	**1,333,264,395**	**1,013,205,809**

(1) The mutual funds not considered as cash equivalents as of December 31, 2015, 2014 and 2013, amounted to Ps. 344.237.496, Ps. 279,056,005 and Ps. 33,792,563, respectively.

(2) Notes and bonds not considered as cash equivalents as of December 31, 2015, 2014 and 2013, amounted to Ps. 156.069.384, Ps. 379,189,263 and Ps. 20,368,289, respectively.

For the year ended December 31, 2015, 2014 and 2013, the following transactions were carried out and did not have an impact on cash and cash equivalents:

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Settlement of dividends receivable by way of setoff against Debt with Related Parties	12,000,000	7,650,000	10,117,429
Interest settlement through reserve account	-	11,428,239	16,684,105
Settlement of derivative financial instruments with guarantee deposits	1,100,400	-	-
	13,100,400	**19,078,239**	**26,801,534**

2.24. 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 dividend distribution is approved by the Meeting of Shareholders.

2.25. Segment information

The Board of Directors is the main operating decision maker of the Company. Management has defined operating segments considering the internal information regularly reviewed by the Board of Directors to allocate resources and assess their performance. On this basis, the geographical regions Argentina and Other Countries have been identified as segments. The Other Countries region does not meet the minimum levels required by standards for its separate presentation. For this reason, the Argentina and Other Countries segments have been combined in a single reportable segment.

The services and goods provided by the Company and its subsidiaries correspond to a single business segment, considering their nature, the risks involved in their provision, the distribution processes and the unified customer base.

The Company measures its performance using adjusted EBITDA, defined as earnings before income taxes, financial results, depreciation and amortization and the result of the Company's interests in other companies. The internal information reviewed by the Board of Directors is prepared pursuant to effective accounting standards, except for the recognition of the earnings relating to installations of the cable and internet service as sales, the recognition of transactions including separable elements, which are considered on the basis of their billing and the non consolidation of special purpose entities.

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies described in Note 2, the Company has to make judgments and prepare accounting estimates of the value of assets and liabilities that may not be obtained from other sources. The estimates and related assumptions are based on historical experience and other relevant factors. Actual results could differ from such estimates.

Underlying estimates and assumptions are continually reviewed. The effects of the review of accounting

estimates are recognized for the period in which estimates are reviewed.

These estimates basically refer to:

Fair value measurement of certain financial instruments

The fair value of a financial instrument is the amount for which it 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 on the basis of the price established in recent transactions involving the same or similar instruments, or, otherwise, on the basis of valuation techniques regularly used in financial markets. The Company uses its judgment to select a variety of methods and makes assumptions on the basis of market conditions at closing.

The methodology used for the measurement of the fair value of certain financial instruments is more fully described in Note 2.19.

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 past uncollectibility record and other circumstances known at the time of calculation.

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

Certain assets, including property, plant and equipment and intangible assets are tested for impairment. The Company records impairment losses when it estimates that there is objective evidence thereof 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. Impairment of the value of non financial assets is more fully described in Note 2.15.

Recognition and measurement of deferred tax items

As set forth in Note 2.12, deferred tax assets are only recognized for temporary differences to the extent it is likely that each entity, on an individual basis, will have sufficient future taxable income against which to apply the deferred tax assets. Tax loss carryforwards from prior years are only recognized when it is likely that each entity shall have sufficient 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 the deferred tax assets based on its business plans and books a valuation allowance, if applicable, so that the net position of the deferred tax asset will reflect its probable recoverable value.

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

At the end of the year there were no impairment losses of goodwill.

Provisions for lawsuits and contingencies

The elements taken into consideration for the calculation of the provisions for lawsuits and contingencies are determined based on the present value of the estimated costs arising from the lawsuits brought against the Company.

In estimating its obligations, the Company takes 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 reasonableness of the estimated useful lives of property, plant and equipment and intangible assets at the end of each year.

Estimated useful lives this year do not differ from those estimated in prior years.

NOTE 4 - ACQUISITION OF COMPANIES AND COMPANY´S REORGANIZATION PROCESSES

a) On September 26, 2006, throuh a series of related transactions, Grupo Clarín S.A. ("Grupo Clarín") and Fintech Media LLC ("Fintech") reached participations in the capital stock of Cablevisión of approximately 60% and 40%, respectively. On the same date, Cablevisión purchased 100% of the capital stock of Teledigital Cable S.A. ("Teledigital"), a cable television provider that operated in several Argentine provinces and 98.5% of the common shares of Multicanal S.A. ("Multicanal"). Immediately prior to the acquisition of Multicanal by Cablevisión, Multicanal had acquired from Grupo Clarín 100% of the capital stock of Prima. Such acquisitions were subject to applicable administrative approvals.

By means of Resolution No. 257, the Secretaría de Comercio Interior ("Secretary of Domestic Trade" or "SCI"), with a prior favorable opinion from the Comisión Nacional de Defensa de la Competencia (National Antitrust Commission or "CNDC") and after consulting the COMFER and the Secom, which did not raise any objections – approved the above-mentioned transactions and notified the Company thereof on December 7, 2007. The aforesaid resolution has been appealed by five entities. As of the date of these financial statements, the CNDC has denied the five appeals. Four of the entities filed appeals by right before the judicial branch, three of such appeals were dismissed and one is still pending resolution.

The Company believes that if the CNDC acts as it did in the case of the three dismissed appeals by right, this appeal is unlikely to be admitted.

On June 11, 2008 Cablevisión was served with a decision of the Federal Commercial and Civil Court of Appeals 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 upheld the revocation only in respect of the events occurred before authorization of the transaction, and ordered to investigate if Cablevisión's and Multicanal's actions prior to the resolution of December 7, 2007 of the CNDC are subject to a fine. As of the date of these financial statements, the Company has presented the relevant defenses, under the aforementioned agency analysis.

b) On December 15, 2008, Cablevisión's shareholders approved the merger of Cablevisión with Multicanal, Delta Cable S.A. Holding Teledigital Cable S.A. Teledigital, Televisora La Plata Sociedad Anónima, Pampa TV S.A. Construred S.A. and Cablepost S.A., on account of which 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 final merger commitment was executed on February 12, 2009 and has been filed with the CNV pursuant to applicable regulations that require administrative approval. As of the date of these financial statements, such process had still to be approved by the CNV and registered with the Inspección General de Justicia ("Superintendency of Corporations" or "IGJ").

As a result of the merger, Cablevisión has increased its capital stock in the amount of Ps. 276,767, i.e. from Ps. 197,327,500 to Ps. 197,604,267, having delegated in the Company's Board of Directors the issue of 276,767 Class B book-entry ordinary shares of Ps. 1 nominal value each and entitled to 1 vote per share, which will be delivered to Multicanal's minority shareholders in exchange for the shares they held in that company.

c) Under Proceeding File No. 21788/08 dated November 17, 2008, the Company informed the COMFER about the corporate business reorganization process effective as of October 1, 2008. In that same act, the Company 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, the Company became the universal successor of 158 licenses to exploit Supplementary Services in several locations (pursuant to section 44, subsection b) of Law No. 22285). To avoid having multiple licenses, the Company 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 the Company, requesting the Company to submit a divestiture plan on the grounds that the license relinquishments spontaneously communicated by the Company were not sufficient (See Note 29.1.c) Res. Nº 577/COMFER/09 and Note 28.1).

d) On September 10, 2015, the Board of Directors of the Company 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. (hereinafter, "Nextel") 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 the Company and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance of 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, the Company 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 the Company 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, the Company 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, the Company 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 28.4.7.).

The Company 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.

The Company 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, the Company's investment in Nextel generated a total gain of Ps. 85.0 million, mainly as a result of Nextel's operations.

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.

NOTE 5 - SEGMENT INFORMATION

Below is the information as of December 31, 2015, 2014 and 2013 for the business segment identified by the Company (amounts expressed in millions of pesos):

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Revenue (1)	20,013.7	14,213.5	9,782.3
Adjusted EBITDA (1)	7,499.3	4,923.7	3,023.0

Reconciliation to the statement of comprehensive income:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Revenue (1)	20,013.7	14,213.5	9,782.3
Difference in valuation criteria	111.7	12.6	(33.2)
Revenue according to statement of comprehensive income	**20,125.4**	**14,226.1**	**9,749.1**
Adjusted EBITDA (1)	7,499.3	4,923.7	3,023.0
Difference in valuation criteria applied	(204.6)	(229.9)	(172.3)
Adjusted EBITDA according to statement of comprehensive income	7,294.7	4,693.8	2,850.7
Depreciation of property, plant and equipment	(1,531.6)	(1,197.1)	(892.7)
Amortization of intangible assets	(34.6)	(34.1)	(85.0)
Financial costs	(2,784.7)	(1,546.4)	(1,210.6)
Other financial income and expenses, net	(28.2)	(60.6)	7.7
Other income and expenses net	1.7	8.4	9.5
Result of long-term investments in associates	504.7	57.7	127.5
Income before income tax	**3,422.0**	**1,921.7**	**807.1**

(1) Source: internal information reviewed by the Board of Directors.

Geographical information:

	12.31.2015		
	Argentina	Other countries	Total
		Ps.	
Revenue	19,407.0	718.4	20,125.4
Non current assets except deferred tax and financial assets	12,100.7	616.6	12,717.3

	12.31.2014		
	Argentina	Other	Total

		countries	
		Ps.	
Revenue	13,586.5	639.6	14,226.1
Non current assets except deferred tax and financial assets	8,632.4	653.8	9,286.2

	12.31.2013		
	Argentina	Other countries	Total
		Ps.	
Revenue	9,312.0	437.1	9,749.1
Non current assets except deferred tax and financial assets	7,600.1	511.6	8,111.7

NOTE 6 - REVENUES

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Subscriptions	14,430,045,995	10,776,791,214	7,398,281,748
Internet	4,818,011,021	2,755,560,808	1,909,726,012
Advertising	118,881,031	87,215,506	80,329,300
Other	758,419,192	606,563,920	360,773,115
Total	**20,125,357,239**	**14,226,131,448**	**9,749,110,175**

NOTE 7 - COST OF SALES

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Inventories at the beginning of the year	7,493,019	5,646,407	9,850,916
Purchases of the year	82,967,360	85,496,743	70,793,742
Cost of sales (Note 8)	9,158,437,455	7,149,592,182	5,204,932,702
Application of allowance for impairment of inventories	-	(28,994)	(57,095)
Inventories at the end of the year	(4,921,974)	(7,493,019)	(5.646.407)
Total cost of sales	**9,243,975,860**	**7,233,213,319**	**5,279,873,858**

NOTE 8 - COST OF SALES, SELLING EXPENSES AND ADMINISTRATIVE EXPENSES

Item	Cost of sales	Selling expenses	Administrative expenses	Total 12.31.2015	Total 12.31.2014	Total 12.31.2013
			Ps.			
Payroll and social security charges and other personnel expenses	2,837,048,401	592,917,979	723,821,097	4,153,787,477	3,080,400,891	2,298,646,926
Programming costs	2,889,016,782	-	-	2,889,016,782	2,180,664,852	1,520,846,587
Severance costs (compensations to the personnel)	26,533,977	18,341,422	17,507,006	62,382,405	28,722,087	25,159,451
Public utilities and tax rates	383,790,983	923,899,248	19,174,705	1,326,864,936	892,595,461	607,905,882
Representation expenses	455,267	46,236,932	320,545	47,012,744	32,942,352	23,454,469
Maintenance of property, plant and equipment and network expenses	672,272,517	70,876,242	264,606,891	1,007,755,650	782,001,273	529,286,672
Leases	184,534,706	16,802,783	52,865,232	254,202,721	197,668,101	145,770,018
Depreciation of property, plant and equipment	1,417,864,405	80,506,672	33,243,325	1,531,614,402	1,197,127,794	892,652,839
Fees for services	27,712,002	47,062,605	763,587,034	838,361,641	642,647,748	513,499,736
Fees to directors and syndics	-	-	138,372,267	138,372,267	6,229,887	5,988,569
Advertising and promotion	-	434,129,622	-	434,129,622	323,869,187	261,531,576
Office expenses	83,700	1,694,741	28,476,600	30,255,041	25,251,435	20,143,888
Production of magazine	173,175,001	-	-	173,175,001	150,344,668	128,417,158
Data transfer costs	282,962,582	-	-	282,962,582	300,932,201	192,773,353
Bad debts	-	260,111,103	-	260,111,103	160,716,050	122,058,339
Collection expenses and commissions	-	-	553,039,809	553,039,809	383,212,365	260,600,717
Obsolescence of material	9,479,003	-	-	9,479,003	5,624,740	2,779,954
Lawsuits and contingencies	42,995,499	-	-	42,995,499	61,777,769	30,225,025
Amortization of intangible assets	34,560,037	-	-	34,560,037	34,092,349	84,985,881
Miscellaneous	175,952,593	32,327,586	32,958,327	241,238,506	193,191,405	134,429,806
Total at 12.31.2015	**9,158,437,455**	**2,524,906,935**	**2,627,972,838**	**14,311,317,228**		
Total at 12.31.2014	**7,149,592,182**	**1,802,896,026**	**1,727,524,407**		**10,680,012,615**	

Total at 12.31.2013	**5,204,932,702**	**1,311,747,750**	**1,284,476,394**	**7,801,156,846**

NOTE 9 - FINANCIAL COSTS

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Interests	(586,965,270)	(414,624,088)	(283,596,401)
Exchange differences	(2,139,296,741)	(1,107,000,225)	(907,993,068)
Financial debt discounts	(15,996,408)	(18,708,215)	(16,309,012)
Other financial costs	(42,416,574)	(6,044,581)	(2,707,122)
Total	**(2,784,674,993)**	**(1,546,377,109)**	**(1,210,605,603)**

NOTE 10 – OTHER FINANCIAL INCOME AND EXPENSES, NET

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Interests	237,664,318	101,307,463	49,171,354
Bank expenses	(6,417,696)	(9,960,122)	(14,386,636)
Taxes and expenses	(226,403,378)	(156,426,037)	(100,687,990)
Exchange differences on cash and cash equivalents	488,645,357	58,210,953	73,826,439
Exchange differences from the other items	289,637,140	119,657,188	80,135,030
Financial discounts on assets, debts and diverse	(6,066,943)	17,917,394	20,893,581
Results for operations with notes and bonds	(867,829,549)	(190,790,235)	(100,558,647)
Results for changes in fair value of financial instruments	62,553,300	(475,888)	(670,000)
Total	**(28,217,451)**	**(60,559,284)**	**7,723,131**

NOTE 11 - EQUITY IN EARNINGS FROM ASSOCIATES

	12.31.2015	12.31.2014	31.12.2013
		Ps.	
La Capital Cable S.A.	18,543,238	13,395,564	10,380,459
Tres Arroyos Televisora Color S.A.	331,785	(851,330)	(270,650)
Teledifusora San Miguel Arcángel S.A.	18,552,269	10,300,490	35,091,915
Ver TV S.A.	64,329,577	34,385,489	82,391,089
Nextel communications S.R.L.	85,064,384	-	-
Result from acquisition of associated companies (See Note 4)	316,726,916	-	-
Other	1,198,959	501,634	(63,346)
Total	**504,747,128**	**57,731,847**	**127,529,467**

NOTE 12 - INCOME TAX

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Income before income tax	3,422,041,321	1,921,718,590	807,112,810
Tax rate (35% income tax)	35%	35%	35%
Income tax expense at current statutory tax rate on income before income tax	1,197,714,462	672,601,507	282,489,484
Permanent differences:			
Equity in earnings from associates	(176,661,495)	(20,206,146)	(44,635,313)
Accumulated results of foreign companies	-	-	(139,221,936)
Differences in tax rates applicable to subsidiaries from foreign countries	(89,397,547)	(35,068,700)	(38,017,175)

Other income and expense, net	(22,466,082)	(20,494,609)	(353,618)
Sub-total	909,189,338	596,832,052	60,261,442
Allowance for doubtful deferred tax assets, net and tax loss carryforwards	(1,324,820)	123,771	(9,393)
Application of statutes of limitations on tax loss carryforwards	1,323,262	-	296,130
Total charge for income taxes recognized in the statement of comprehensive income	909,187,780	596,955,823	60,548,179
Deferred income tax	(44,814,838)	1,522,787	(140,105,437)
Current income tax	954,002,618	595,433,036	200,653,616
Total	**909,187,780**	**596,955,823**	**60,548,179**

The breakdown of net deferred tax balances is as follows:

	01.01.2015	**Net Charge**	**Change in currency translation**	**12.31.2015**
		Ps.		
Trade receivables and other receivables	(19,796,258)	69,926,911	(756,423)	49,374,230
Taxes payable	24,193,171	9,934,713	-	34,127,884
Provisions and other charges	62,175,876	28,857,336	-	91,033,212
Accounts payable and others	4,007,491	1,042,942	-	5,050,433
Tax loss carryforwards	1,899,042	(1,451,621)	-	447,421
Bank and financial debt	(12,764,578)	1,318,511	-	(11,446,067)
Other payables	76,019,225	13,386,793	(91,846)	89,314,172
Other temporary differences	1,163,566	(15,852,443)	(292,159)	(14,981,036)
Property, plant and equipment and intangible assets-net	(130,271,370)	(63,229,617)	696,921	(192,804,066)
Allowance for doubtful deferred tax assets, net	(1,868,547)	1,324,820	-	(543,727)
Total deferred tax liabilities, net	**4,757,618**	**45,258,345**	**(443,507)**	**49,572,456**

	01.01.2014	**Net Charge**	**Change in currency translation**	**12.31.2014**
		Ps.		
Trade receivables and other receivables	(43,101,950)	21,282,876	2,022,816	(19,796,258)
Taxes payable	19,823,860	4,369,311	-	24,193,171
Provisions and other charges	48,748,852	13,427,024	-	62,175,876
Accounts payable and others	3,126,274	881,217	-	4,007,491
Tax loss carryforwards	32,823,950	(30,924,908)	-	1,899,042
Bank and financial debt	(14,967,223)	2,202,645	-	(12,764,578)
Other payables	60,851,333	15,029,003	138,889	76,019,225
Other temporary differences	625,109	610,517	(72,060)	1,163,566
Property, plant and equipment and intangible assets-net	(99,905,024)	(27,302,487)	(3,063,859)	(130,271,370)
Allowance for doubtful deferred tax assets, net	(1,744,776)	(123,771)	-	(1,868,547)
Total deferred tax liabilities, net	**6,280,405**	**(548,573)**	**(974,214)**	**4,757,618**

	01.01.2013	**Net Charge**	**Change in currency translation**	**12.31.2013**
		Ps.		
Trade receivables and other receivables	(43,711,307)	(524,414)	1,133,771	(43,101,950)
Taxes payable	17,044,837	2,779,023	-	19,823,860
Provisions and other charges	41,647,554	7,101,298	-	48,748,852
Accounts payable and others	2,428,732	697,541	-	3,126,273
Tax loss carryforwards	34,927,605	(2,103,655)	-	32,823,950
Bank and financial debt	(16,482,719)	1,515,496	-	(14,967,223)

Other payables	48,433,305	12,306,414	111,614	60,851,333
Other temporary differences	(739,836)	1,392,466	(27,520)	625,110
Property, plant and equipment and intangible assets-net	(76,397,098)	(20,796,390)	(2,711,536)	(99,905,024)
Accumulated results - foreign companies	(139,221,936)	139,221,936	-	-
Allowance for doubtful deferred tax assets, net	(1,754,169)	9,393	-	(1,744,776)
Total deferred tax liabilities, net	**(133,825,032)**	**141,599,108**	**(1,493,671)**	**6,280,405**

As of December 31, 2015, the Company had accumulated tax loss carryforwards of approximately Ps. 1,278,346, which, calculated at the statutory tax rate represent a deferred tax asset of approximately Ps. 447,421. The Company estimates that unrecoverable accumulated tax loss carryforwards were of Ps. 999,700 as of that date.

Below is a breakdown of the estimated expiration date of tax loss carryforwards:

Year of origin	Tax loss carryforwards at 12.31.2015	Tax loss carryforwards at 12.31.2014	Tax loss carryforwards at 12.31.2013	Expiration year
		Ps.		
2009	-	3,780,747	3,799,591	2014
2010	999,700	999,700	999,700	2015
2011	-	-	78,557,508	2016
2012	-	-	10,425,915	2017
2014	278,646	645,387	-	2019
	1,278,346	5,425,834	93,782,714	

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

Cost or deemed cost and accumulated depreciation

	Buildings and lands	Improvements to leased buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Tools	Cables, cable laying and assets under loan for use	Work in progress	M
Average useful life (years)	50	3	10	10	5	5	15-3	-	
Cost or deemed cost	235,298,771	26,884,955	736,859,232	54,334,262	208,352,654	111,659,331	5,910,227,690	646,270,825	
Accumulated depreciation	(93,905,032)	(22,462,852)	(504,047,607)	(39,042,631)	(162,078,733)	(86,673,805)	(2,116,979,559)	-	
Net book value at January 1, 2015	**141,393,739**	**4,422,103**	**232,811,625**	**15,291,631**	**46,273,921**	**24,985,526**	**3,793,248,131**	**646,270,825**	
Variation due to translation differences (Cost)	(952,276)	-	(1,529,008)	(2,689,468)	(1,110,105)	(529,849)	(71,613,502)	(3,199,421)	
Additions	844,980	536,664	153,514,268	3,527,219	143,827,675	1,841,558	1,330,432,007	416,444,282	
Decreases	(14,723,913)	-	(78,608,483)	(2,080,535)	(40,987,761)	(404,971)	(878,842,497)	-	
Transfers	10,685,208	835,645	98,564,787	356,197	-	31,570,255	1,115,470,524	203,954,237	
Depreciation of decreases	14,717,920	-	78,601,000	2,011,632	40,986,712	188,051	878,470,923	-	
Variation due to translation differences (Depreciation)	640,182	-	1,458,724	2,124,008	982,390	315,059	48,316,661	-	
Depreciation	(5,264,184)	(2,417,912)	(102,500,432)	(2,799,820)	(35,311,112)	(25,758,318)	(1,357,562,624)	-	
Subtotal	**147,341,656**	**3,376,500**	**382,312,481**	**15,740,864**	**154,661,720**	**32,207,311**	**4,857,919,623**	**1,263,469,923**	
Total at December 31, 2015									
Cost or deemed cost	231,152,770	28,257,264	908,800,796	53,447,675	310,082,463	144,136,324	7,405,674,222	1,263,469,923	
Accumulated depreciation	(83,811,114)	(24,880,764)	(526,488,315)	(37,706,811)	(155,420,743)	(111,929,013)	(2,547,754,599)	-	
Net book value at December 31, 2015	**147,341,656**	**3,376,500**	**382,312,481**	**15,740,864**	**154,661,720**	**32,207,311**	**4,857,919,623**	**1,263,469,923**	

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Cont.)

Cost or deemed cost and accumulated depreciation

	Buildings and lands	Improvements to leased buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Tools	Cables, cable laying and assets under loan for use	Work in progress	Materials
Average useful life (years)	50	3	10	10	5	5	15-3	-	-
Cost or deemed cost	230,330,617	25,919,436	584,777,402	48,252,540	189,951,299	85,086,054	4,755,979,052	478,130,199	754,893
Accumulated depreciation	(89,135,415)	(17,884,689)	(447,606,208)	(32,765,740)	(141,503,220)	(66,950,765)	(1,696,117,569)	-	
Net book value at January 1, 2014	**141,195,202**	**8,034,747**	**137,171,194**	**15,486,800**	**48,448,079**	**18,135,289**	**3,059,861,483**	**478,130,199**	**754,893**
Variation due to translation differences (Cost)	233,335	-	2,405,403	4,232,916	1,723,776	687,676	105,173,876	4,906,122	4,904
Additions	1,336,591	90,079	72,195,099	1,879,500	17,202,954	976,593	973,712,509	197,755,506	1,390,743
Decreases	(1,089,402)	(527,264)	(228,813)	(106,030)	(525,375)	(63,216)	(745,967,649)	-	(290,128,
Transfers	4,487,630	1,402,704	77,710,141	75,336	-	24,972,224	821,329,902	(34,521,002)	(895,456,
Depreciation of decreases	477,742	527,264	228,813	106,030	416,245	63,216	745,802,705	-	
Variation due to translation differences (Depreciation)	176,825	-	(2,284,634)	(3,243,560)	(1,513,668)	(422,730)	(76,433,067)	-	
Depreciation	(5,424,184)	(5,105,427)	(54,385,578)	(3,139,361)	(19,478,090)	(19,363,526)	(1,090,231,628)	-	
Subtotal	**141,393,739**	**4,422,103**	**232,811,625**	**15,291,631**	**46,273,921**	**24,985,526**	**3,793,248,131**	**646,270,825**	**964,956**
Total at December 31, 2014									
Cost or deemed cost	235,298,771	26,884,955	736,859,232	54,334,262	208,352,654	111,659,331	5,910,227,690	646,270,825	964,956
Accumulated depreciation	(93,905,032)	(22,462,852)	(504,047,607)	(39,042,631)	(162,078,733)	(86,673,805)	(2,116,979,559)	-	
Net book value at December 31, 2014	**141,393,739**	**4,422,103**	**232,811,625**	**15,291,631**	**46,273,921**	**24,985,526**	**3,793,248,131**	**646,270,825**	964,956

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Cont.)

Cost or deemed cost and accumulated depreciation

	Buildings and lands	Improvements to leased buildings	Machinery and equipment	Furniture and fixtures	Vehicles	Tools	Cables, cable laying and assets under loan for use	Work in progress	M
Average useful life (years)	50	3	10	10	5	5	15-3	-	
Cost or deemed cost	215,757,418	16,985,614	525,958,316	39,817,459	169,100,987	66,188,459	3,781,690,582	398,006,785	
Accumulated depreciation	(83,332,330)	(12,483,254)	(408,640,949)	(25,289,781)	(123,256,331)	(51,729,534)	(1,353,369,723)	-	
Net book value at January 1, 2013	**132,425,088**	**4,502,360**	**117,317,367**	**14,527,678**	**45,844,656**	**14,458,925**	**2,428,320,859**	**398,006,785**	
Variation due to translation differences (Cost)	1,864,604	-	3,290,934	5,702,510	2,399,678	773,331	134,586,420	5,870,461	
Additions	896,674	573,176	27,941,322	2,915,098	20,942,182	211,858	685,157,931	201,708,075	
Decreases	(478,802)	-	(20,040)	-	(2,491,548)	-	(566,680,003)	-	
Transfers	12,290,723	8,360,646	27,606,870	(182,527)	-	17,912,406	721,224,122	(127,455,122)	
Depreciation of decreases	-	-	335	-	2,468,693	-	567,402,520	-	
Variation due to translation differences (Depreciation)	(1,248,117)	-	(3,053,896)	(4,137,294)	(2,017,861)	(459,984)	(100,163,261)	-	
Depreciation	(4,554,968)	(5,401,435)	(35,911,698)	(3,338,665)	(18,697,721)	(14,761,247)	(809,987,105)	-	
Subtotal	**141,195,202**	**8,034,747**	**137,171,194**	**15,486,800**	**48,448,079**	**18,135,289**	**3,059,861,483**	**478,130,199**	
Total at December 31, 2013									
Cost or deemed cost	230,330,617	25,919,436	584,777,402	48,252,540	189,951,299	85,086,054	4,755,979,052	478,130,199	
Accumulated depreciation	(89,135,415)	(17,884,689)	(447,606,208)	(32,765,740)	(141,503,220)	(66,950,765)	(1,696,117,569)	-	
Net book value at December 31, 2013	**141,195,202**	**8,034,747**	**137,171,194**	**15,486,800**	**48,448,079**	**18,135,289**	**3,059,861,483**	**478,130,199**	

13.1. Impairment losses recognized in the year

During this year, the Company made a review of the recoverable amount of its property, plant and equipment regarding the obsolescence of materials. As result of such review, it was necessary to recognize an additional loss for impairment of Ps. 5,338,639.

13.2. Evolution of the allowance for obsolescence of material

Variations in the allowance for obsolescence of material were as follows:

	12.31.2015	12.31.2014	31.12.2013
		Ps.	
Balance at beginning of period	17,541,856	17,257,059	16,864,638
Currency translation of foreign operations	(178,871)	284,797	392,421
Addition	5,338,639	-	-
Balance at period end	**22,701,624**	**17,541,856**	**17,257,059**

NOTE 14 - INTANGIBLE ASSETS

Cost or attributed cost, accumulated amortization

	Subscriber's portfolio purchase	Work in progress	Trademarks	Software	Other	Total
			Ps.			
Average useful life (years)	7	-	50	5	-	
Cost or attributed cost	-	-	22,438,834	153,269,906	44,036,705	219,745,445
Accumulated amortization	-	-	(6,610,768)	(75,567,798)	(43,642,151)	(125,820,717)
Net book value at January 1, 2015	**-**	**-**	**15,828,066**	**77,702,108**	**394,554**	**93,924,728**
Variation due to translation differences	-	-	-	-	(23,536)	(23,536)
Additions / (decreases)	7,053,073	-	-	(562,535)	287,420	6,777,958
Transfers	4,000	-	-	-	(4,000)	-
Amortization	(3,528,537)	-	(447,964)	(30,355,231)	(228,305)	(34,560,037)
Sub-total	**3,528,536**	**-**	**15,380,102**	**46,784,342**	**426,133**	**66,119,113**
At December 31, 2015						
Cost or attributed cost	7,057,073	-	22,438,834	152,707,371	44,265,817	226,469,095
Accumulated amortization	(3,528,537)	-	(7,058,732)	(105,923,029)	(43,839,684)	(160,349,982)
Net book value at December 31, 2015	**3,528,536**	**-**	**15,380,102**	**46,784,342**	**426,133**	**66,119,113**

			Ps.			
Average useful life (years)	7	-	50	5	-	
Cost or deemed cost	-	4,290,132	22,438,834	140,935,537	43,992,732	211,657,235
Accumulated depreciation	-	-	(6,162,804)	(42,218,844)	(43,318,932)	(91,700,580)
Net book value at January 1, 2014	**-**	**4,290,132**	**16,276,030**	**98,716,693**	**673,800**	**119,956,655**
Variation due to translation differences (Cost)	-	-	-	-	16,185	16,185
Additions	-	137,660	-	7,906,577	-	8,044,237
Transfers	-	(4,427,792)	-	4,427,792	-	-
Depreciation	-	-	(447,964)	(33,348,954)	(295,431)	(34,092,349)
Subtotal	**-**	**-**	**15,828,066**	**77,702,108**	**394,554**	**93,924,728**
Total at December 31, 2014						
Cost or deemed cost	-	-	22,438,834	153,269,906	44,036,705	219,745,445
Accumulated amortization	-	-	(6,610,768)	(75,567,798)	(43,642,151)	(125,820,717)
Net book value at December 31, 2014	**-**	**-**	**15,828,066**	**77,702,108**	**394,554**	**93,924,728**

	Subscriber's portfolio purchase	Work in progress	Trademarks	Software	Other	Total
			Ps.			
Average useful life (years)	7	-	50	5	-	
Cost or attributed cost	448,923,742	4,077,102	22,438,834	116,748,657	43,909,384	636,097,719
Accumulated amortization	(393,479,219)	-	(5,714,839)	(13,411,387)	(43,013,586)	(455,619,031)
Net book value at January 1, 2013	**55,444,523**	**4,077,102**	**16,723,995**	**103,337,270**	**895,798**	**180,478,688**
Variation due to translation differences	-	-	-	-	34,731	34,731
Additions / (decreases)	-	10,320,996	-	14,078,921	29,200	24,429,117
Transfers	-	(10,107,962)	-	10,107,962	-	-
Amortization	(55,444,523)	-	(447,965)	(28,807,459)	(285,934)	(84,985,881)
Sub-total	**-**	**4,290,136**	**16,276,030**	**98,716,694**	**673,795**	**119,956,655**
At December 31, 2013						
Cost or attributed cost	448,923,742	4,290,136	22,438,834	140,935,540	43,992,726	660,580,978
Accumulated amortization	(448,923,742)	-	(6,162,804)	(42,218,846)	(43,318,931)	(540,624,323)
Net book value at December 31, 2013	**-**	**4,290,136**	**16,276,030**	**98,716,694**	**673,795**	**119,956,655**

NOTE 15 - GOODWILL

	12.31.2015	12.31.2014	12.31.2013
Cost		Ps.	

Prima	39,507,456	39,507,456	39,507,456
Telemas S.A.	274,311,009	309,060,138	254,057,618
Cablevisión Business	2,829,430,189	2,829,430,189	2,829,430,189
Total	**3,143,248,654**	**3,177,997,783**	**3,122,995,263**

Cost - Evolution

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Balance at beginning of period	3,177,997,783	3,122,995,263	3,046,578,117
Decreases	-	-	(152,150)
Change in currency translation of foreign operations	(34,749,129)	55,002,520	76,569,296
Balance at december 31	**3,143,248,654**	**3,177,997,783**	**3,122,995,263**

Allocation of goodwill to cash generating units

For the purpose of prove its impairment, goodwill was allocated to the following groups of cash generating units ("CGU"):

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Uruguay operation	289,889,828	324,638,957	269,636,437
Argentina operation	2,853,358,826	2,853,358,826	2,853,358,826
	3,143,248,654	**3,177,997,783**	**3,122,995,263**

The Company assesses the recoverability of goodwill considering each country where the Company has a subsidiary for which it records goodwill as a different group of CGU.

Cablevisión determined that the group of CGU with a significant goodwill amount, as compared to the total goodwill amount as of December 31, 2015 and 2014 was Argentina, which accounts for 91% and 90% of the total goodwill, respectively.

The recoverable amount of each group of CGU has been determined on the basis of its value in use, calculated based on operating cash flows estimated in the financial budgets approved by the Company's Management, which cover the period of one year. Cash flows beyond such period are projected using a growth rate assessed based on statistical data and historical indicators of the country, which does not exceed the long term average growth of each business.

The discount rate used in each case for the calculation of the value in use allocated to each group of CGU considers the risk free rate, the premium for country risk and the specific risks of each business and each group of CGU's own indebtedness structure. In particular, the discount rate applied to cash flow projections for the operation of Cablevision Argentina is approximately 9% per annum.

Cablevisión's main sources of revenues are subscribers. The main indicators are the evolution in subscription prices and subscribers. In order to determine key assumptions, Cablevisión uses external sources of information and Management's opinions based on past experience.

NOTE 16 - INVESTMENTS

	12.31.2015	12.31.2014	12.31.2013
Non-Current		Ps.	
Other placements (See Note 33)	697,057,242	585,321,308	358,283,220
	697,057,242	**585,321,308**	**358,283,220**

Current			
Mutual funds	734,764,736	657,527,808	68,966,205
Notes and bonds	156,069,384	379,189,263	20,368,289
Fixed-term deposit	20,289,303	14,677,829	15,444,553
	911,123,423	**1,051,394,900**	**104,779,047**

Movements of fixed-term deposits and other placements were as follows:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Balance at beginning of period	599,999,137	373,727,773	374,886,607
Increases	228,912,326	192,687,808	33,266,350
Currency translation of foreign operations	167,668,409	83,621,175	138,341,488
Decreases	(279,233,327)	(50,037,619)	(172,766,672)
Balance at period end	**717,346,545**	**599,999,137**	**373,727,773**

NOTE 17 - INVESTMENTS IN ASSOCIATES

Companies	Main activity	Country	% participation in capital and votes	Valuation at 12.31.2015	Valuation at 12.31.2014	Valuation at 12.31.2013
La Capital Cable S.A.	Closed circuit television	Argentina	49.00	20,523,128	14,954,214	11,517,871
Tres Arroyos Televisora Color S.A.	Cable TV station	Argentina	49.99	1,835,217	1,503,432	2,354,763
Ver T.V. S.A. (1)	Cable TV station	Argentina	49.00	102,895,887	62,124,867	52,168,147
Teledifusora San Miguel Arcángel S.A. (1)	Cable TV station	Argentina	49.10	31,760,343	20,778,579	20,417,145
Televisora Privada del Oeste S.A.	Closed circuit television	Argentina	47.00	5,592,798	5,592,798	5,592,798
AVC Continente Audiovisual S.A.	Closed circuit television	Argentina	40.00	2,648,384	1,449,070	945,986
Nextel	Telecomunications service	Argentina	49.00	1,201,022,798	-	-
Other investements valued at equity method				53,600	47,456	48,898
Goodwill				3,872,303	3,872,303	3,872,303
				1,370,204,458	**110,322,719**	**96,917,911**

(1) Data on the issuer arising from non-accounting information.

The evolutions of investments in associates are summarized below:

	12.31.2015	12.31.2014	12.31.2013
		Ps .	
Balance at beginning of period	110,322,719	96,917,911	50,111,810
Equity in earnings from associates	504,747,128	57,731,847	127,529,467
Additions / (decreases) of investments	799,237,998	-	8,941
Dividend distributions	(44,103,387)	(44,327,039)	(80,732,307)

Balance at period end	**1,370,204,458**	**110,322,719**	**96,917,911**

Certain supplementary information required by IFRS about investments in associates is detailed below.

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Dividends received	44,103,387	44,327,039	80,732,307
Summarized financial information:			
Non-current assets	1,222,984,219	271,634,177	212,129,270
Current assets	3,002,923,446	121,972,537	170,898,803
Non-current liabilities	(111,454,055)	(8,031,890)	(1,513,101)
Current liabilities	(1,312,837,166)	(155,780,185)	(179,304,087)
Sales	1,897,960,311	726,480,882	523,573,919
Income from continuing operations	387,056,535	130,661,560	96,698,095
Total comprehensive income	387,056,535	130,661,560	96,698,095

NOTE 18 - OTHER RECEIVABLES

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Non-Current			
National tax credits	4,180,605	798,560	14,723,227
Advances to suppliers	109,643,206	40,000,429	105,359,239
Prepaid expenses	38,080,166	19,504,515	22,418,164
Call option – Nextel ((Notes 4.d) and (25.2.b))	1,103,673,966	-	-
Other debtors	14,139,007	11,771,312	9,101,521
Other	1,569,321	4,274,190	1,406,712
	1,271,286,271	**76,349,006**	**153,008,863**

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Current			
National tax credits	45,804,889	73,217,333	130,177,580
Provincial tax credits	3,386,929	19,570,838	8,644,033
Municipal tax credits	-	-	6,335
Prepaid expenses	152,501,150	140,445,741	66,127,357
Judicial deposits	8,180,553	5,693,376	6,466,555
Related parties (Note 33)	19,006,734	17,243,714	21,088,575
Advances to suppliers	85,589,912	25,747,196	24,985,778

Financial instruments	11,628,000	-	-
Other debtors	30,587,812	18,728,874	14,929,485
Advances to employees	5,458,718	4,903,769	3,728,900
Escrow sellers financing	-	-	21,371,452
Other	128,575,077	32,254,728	24,660,228
Allowance for other doubtful receivables	-	-	(429,031)
	490,719,774	**337,805,569**	**321,757,247**

The evolution of the allowance for other doubtful receivables is as follows:

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Balance at beginning of period	-	429,031	429,031
Decreases	-	(429,031)	-
Balance at period end	**-**	**-**	**429,031**

NOTE 19 – INVENTORIES

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Resale goods	3,669,046	2,253,166	97,012
Computer equipment held by third parties	1,252,928	5,239,853	5,549,395
Allowance for impairment of inventories	(68,019)	(1,508,791)	(1,188,693)
	4,853,955	**5,984,228**	**4,457,714**

NOTE 20 - TRADE RECEIVABLES

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Non-Current			
Ordinary	-	88,892,564	126,041,518
	-	**88,892,564**	**126,041,518**
Current			
Ordinary	1,406,044,189	1,066,163,367	748,590,991
Related parties (Note 33)	50,998,117	53,302,485	42,011,794
Other	2,543,084	1,857,545	3,181,936
Allowance for bad debts	(195,726,226)	(119,651,413)	(92.641.610)
	1,263,859,164	**1,001,671,984**	**701.143.111**

The above described trade receivables are classified as financial assets measured at amortized cost. All amounts are classified as current and non current assets, respectively.

Changes in the allowance for doubtful recoverability were:

	12.31.2015	**12.31.2014**	**12.31.2013**
		Ps.	
Balance at beginning of period	119,651,413	92,641,610	79,159,623
Increases	260,111,103	160,716,050	122,058,339
Decreases (1)	(184,036,290)	(133,706,247)	(108,576,352)
Balance at period end	**195,726,226**	**119,651,413**	**92,641,610**

(1) It includes currency conversion for business conducted abroad

NOTE 21 - CASH AND BANKS

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Cash in local currency	1,314,312	1,191,707	936,160
Cash in foreign currency	12,422,400	10,141,200	6,026,400
Banks in local currency	340,247,475	178,260,519	337,913,790
Banks in foreign currency	1,401,718,103	729,540,066	596,528,770
To be deposited	10,158,371	20,981,271	21,182,494
	1,765,860,661	**940,114,763**	**962,587,614**

NOTE 22 - SHARE CAPITAL

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Share capital	197,397,110	197,397,110	197,601,949
Treasury shares	207,157	207,157	2,318
Additional paid - in capital	134,234,500	134,234,500	134,234,500
Merger premium	2,894,151	2,894,151	2,894,151
	334,732,918	**334,732,918**	**334,732,918**

The issued share capital consists of:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Fully paid-in common shares	197,604,267	197,604,267	197,604,267
	197,604,267	**197,604,267**	**197,604,267**

The following table shows the Company's shareholders. The principal shareholders of the Company do not have different or preferred voting rights with respect to the shares owned by them.

Shareholders	Number of Shares	% of Share Capital
Southtel Holdings S.A. (1)	56,609,313	28,7
VLG Argentina, LLC (2)	101,252,687	51,2
Fintech Media LLC (3)	28,304,317	14,3
Vistone S.A. (4)	3,277,197	1,7
CV B Holding S.A. (4)	7,883,139	4,0
Other (3)	70,457	-
Treasury Shares – Section 220, paragraph 3) of the General Business Companies Law	207,157	0,1
Total	197,604,267	100,0

(1) Class A Shares, controlled by Grupo Clarín.
(2) Class A Shares, controlled by Grupo Clarín and Fintech.
(3) Class B Shares.
(4) Class B Shares, controlled by Grupo Clarín.

On January 12, 2016, the Shareholders of the Company at the General Extraordinary Shareholders' Meeting unanimously decided to: i) cancel the treasury stock in the amount of 207,157 "Class B" common book-entry shares with a nominal value of Ps. 1 representing 0.1% of the capital stock, (ii) reduce the capital stock by Ps. 207,157, (iii) ratify the amendment of Section 4 of the Bylaws approved by the shareholders at the Extraordinary Shareholders' Meeting held on June 30, 2014, (iv) delegate on the Board of Directors the power to determine and establish the time, form and conditions of the shares representing the new capital stock to be issued, as well as the payment in cash of the fractions, if any.

NOTE 23 - RESERVES, ACCUMULATED RESULTS AND DIVIDENDS

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Balance at January 1			
Legal Reserve and other reserves	4,597,918,607	3,964,699,729	3,074,316,141
Accumulated results	1,287,185,928	710,576,297	878,393,310
Total balance at the beginning of the year	5,885,104,535	4,675,276,026	3,952,709,451
Net income attributable to equity holders of the Company	2,473,366,772	1,287,185,928	710,576,297
Net increase in other reserves	173,091,278	316,642,581	261,990,278
Distribution of dividends	(436,000,000)	(394,000,000)	(250,000,000)
Balance at December 31	**8,095,562,585**	**5,885,104,535**	**4,675,276,026**

1. Cablevisión.

On April 23, 2015, at the Company's Annual General Ordinary and Extraordinary Shareholders' Meeting, its shareholders decided to appropriate the net income for the year ended December 31, 2014, of Ps. 1,287,185,928, according to the following detail: (i) Ps. 436,000,000 to the distribution of cash dividends payable to shareholders in proportion to their shareholdings, in pesos or dollars within thirty days of the Shareholders' Meeting, delegating on the board the time and form of payment, (ii) Ps. 851,185,928 to the Voluntary Reserve to maintain the Company's level of capital expenditures and its current solvency level. As of the date of issuance of these financial statements the Company has paid Ps. 435,844,379 of its distributed dividends.

2. Collection of dividends of associates

During August 2015, certain associates of the Company decided to pay dividends in the amount of Ps. 63.5 million out of which Ps. 31.1 million belong to the Company based on its equity interests. The Company collected Ps. 31.1 million in September 2015.

NOTE 24 - NON-CONTROLLING INTERESTS

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Balance at the beginning of the year	286,437,581	212,804,480	131,958,509
Participation in Company's in earnings for the period	39,486,769	37,576,839	35,988,334
Variation due to translation differences	(26,522,279)	38,710,068	46,858,859
Distribution of dividends to non-controlling interests	(3,424,599)	(2,495,408)	(2,001,222)
Decrease in non-controlling interest	-	(158,398)	-
Balance at year end	**295,977,472**	**286,437,581**	**212,804,480**

Non-controlling interests in income are detailed below:

Company name	Address	Country	Non-controlling interests in capital and votes	Earnings of the year attributable to non-controlling interests at 12.31.2015	Earnings of the year attributable to non-controlling interests at 12.31.2014	Earnings of the year attributable to non-controlling interests at 12.31.2013

Audomar S.A.	Ituzaingo 1169 - Paysandú	Uruguay	100%	2,584,321	3,987,012	3,566,116
Bersabel S.A.	Av. Italia 4070 - Montevideo	Uruguay	100%	20,425,689	18,356,155	17,778,121
Dolfycor S.A.	Pte. Berreta 663 - Artigas	Uruguay	100%	647,313	893,698	1,376,382
Reiford S.A.	Treinta y tres 318 - Tacuarembo	Uruguay	100%	47,348	130,080	762,950
Space Energy Tech S.A.	Ituzaingo 946 - Rivera	Uruguay	100%	2,978,673	4,185,302	4,263,837
Tracel S.A.	18 de Julio 587 – Paso de los Toros	Uruguay	100%	1,376,968	1,769,250	1,279,481
Visión Satelital S.A.	Av. Italia 4070 - Montevideo	Uruguay	100%	6,527,693	4,816,097	4,471,299
CV Berazategui S.A.	Gral. Hornos 690 – CABA	Argentina	30%	4,898,764	3,424,600	2,495,407
Airevisión Internacional S.A. (1)	Av. Valparaíso 2938 – Córdoba	Argentina	40%	-	14,645	(5,259)
				39,486,769	**37,576,839**	**35,988,334**

(1) Company dissolved dated October 20, 2015.

The following amounts are included in the financial statements of the Company corresponds to the non-controlling interest:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Non-current assets	307,013,422	614,590,737	437,248,997
Current assets	86,332,351	345,724,130	201,203,493
Non-current liabilities	150,173	313,978,847	196,205,995
Current liabilities	83,510,886	349,041,644	220,537,704
Revenues	806,550,587	698,321,597	478,905,055
Cash and cash equivalents	4,853,408	5,092,811	2,679,639
Dividends paid	3,424,599	2,495,408	2,001,222

NOTE 25 - BANK AND FINANCIAL DEBT

The evolution of loans and financing between January 1, 2015 and December 31, 2015 and for the same period of the preceding year is shown below:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Balance as of January 1	4,106,971,963	3,555,208,643	2,866,446,605
New loans and financing (1)	1,271,321,743	656,643,839	44,855,347
Interest	586,630,317	412,906,623	281,391,346
Permanence fees	5,518,817	6,116,721	5,072,293
Effects of exchange rate variation	2,075,799,997	1,042,356,771	854,901,266
Advanced collection of investment for the purchase of notes	-	-	67,182,254
Payment of interests	(571,074,133)	(442,158,957)	(282,109,956)
Payment of principal and inssuance expenses	(869,995,614)	(1,142,809,892)	(298,839,524)
Measurement of financial debt at present value	15,996,408	18,708,215	16,309,012
Balance as of December 31	**6,621,169,498**	**4,106,971,963**	**3,555,208,643**

(1) Mainly loans to pay debt with upcoming maturity and to purchase capital assets and inventories.

The following is a breakdown of the Company's loans and indebtedness:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Non-current			
Cablevisión Notes - principal	3,321,722,710	1,881,220,000	2,008,160,000
Multicanal Notes - principal	-	686,859,074	523,719,000
Bank loans - principal	-	-	9,249,430
Measurement of financial debt at present value	(38,535,875)	(54,973,243)	(45,296,584)
For purchase of equipment - principal	583,000,011	305,666,100	104,285,599
	3,866,186,846	**2,818,771,931**	2,600,117,445
Current			
Debt with related companies - principal (1) (Note 33)	21,031,267	14,087,889	9,853,806
For purchase of equipment - principal	386,967,757	165,872,111	89,456,767
Accrued interest	194,384,944	122,068,466	114,038,407
Cablevisión Notes - principal	614,039,099	752,488,000	655,260,000
Prima Notes - principal	-	-	69,784,818
Multicanal Notes - principal	1,047,438,000	-	-
Measurement of financial debt at present value	5,832,827	18,503,021	2,533,091
Current account overdraft	15,288,758	15,180,545	11,908,935
Bank loans - principal	470,000,000	200,000,000	2,255,374
	2,754,982,652	**1,288,200,032**	**955,091,198**

(1) At December 31, 2015 for a principal amount of Ps. 21,031,267 an average rate of 20.75% is applied.
(2) At December 31, 2014 for a principal amount of Ps. 14,087,889 an average rate of 18.88% is applied.
(3) At December 31, 2013 for a principal amount of Ps. 9,853,806 an average rate of 11.62% is applied.

The breakdown of maturities of bank and financial debt is as follows:

At December 31, 2015	**1 year or less**	**1-2 years**	**2-3 years**	**3-4 years**	**4 - 5 years**	**Total**
			Ps.			
Bank loans	470,000,000	-	-	-	-	470,000,000
Notes - principal	1,661,477,099	2,214,477,931	1,107,244,779		-	4,983,199,809
For purchase of equipment	386,967,757	406,550,467	172,740,201	3,709,343	-	969,967,768
Accrued interest	194,384,944	-	-	-	-	194,384,944
Debt with related companies	21,031,267	-	-	-	-	21,031,267
Measurement of financial debt at present value	5,832,827	(15,482,382)	(23,053,493)	-	-	(32,703,048)
Current account overdraft	15,288,758					15,288,758
	2,754,982,652	**2,605,546,016**	**1,256,931,487**	**3,709,343**	**-**	**6,621,169,498**

At December 31, 2014	**1 year or less**	**1-2 years**	**2-3 years**	**3-4 years**	**4 - 5 years**	**Total**
Bank loans	215,180,545	-	-	-	-	215,180,545
Notes - principal	752,488,000	1,439,343,201	752,490,574	376,245,299	-	3,320,567,074
For purchase of	165,872,111	195,351,437	110,314,663	-	-	471,538,211

equipment						
Accrued interest	122,068,466	-	-	-	-	122,068,466
Debt with related companies	14,087,889	-	-	-	-	14,087,889
Measurement of financial debt at present value	18,503,021	(9,906,963)	(45,066,280)	-	-	(36,470,222)
	1,288,200,032	**1,624,787,675**	**817,738,957**	**376,245,299**	**-**	**4,106,971,963**

At December 31, 2013	**1 year or less**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Total**
Bank loans	14,164,309	3,383,064	3,383,063	2,483,303	-	23,413,739
Notes - principal	725,044,818	573,760,000	1,097,479,000	573,760,000	286,880,000	3,256,923,818
For purchase of equipment	89,456,767	76,365,716	26,674,928	1,244,955	-	193,742,366
Accrued interest	114,038,407	-	-	-	-	114,038,407
Debt with related companies	9,853,806	-	-	-	-	9,853,806
Measurement of financial debt at present value	2,533,091	(4,510,449)	(40,295,454)	(490,681)	-	(42,763,493)
	955,091,198	**648,998,331**	**1,087,241,537**	**576,997,577**	**286,880,000**	**3,555,208,643**

The most significant bank and financial debt are as follows:

Date of issuance	Borrower	Original amount	Balance 12.31.2015	Balance 12.31.2014	Balance 12.31.2013	Final maturity	Interest rate
		In millions of U.S. dollars					
December 2003	Multicanal	80.3	80.3	80.3	80.3	July 2016	3.5% a 4.5% (5)
February 2011	Cablevisión (1)	88.2	4.52	67.9	87.4	February 2018	8.75% (5)
February 2011	Cablevisión (1)	71.3	2.75	54.9	70.6	February 2018	9.375% (5)
February 2011	Cablevisión (1)	223.3	8.62	172.0	221.0	February 2018	9.625% (5)
February 2011	Cablevisión (2)	17.2	0.67	13.3	17.1	February 2018	9.375% (5)
May 2011	Cablevisión (2)	50.0	-	-	12.5	May 2014	Libor + 7,5%
May 2011	Prima (2)	70.0	-	-	10.7	May 2014	Libor + 7,5%
January 2015	Cablevisión (3)	80.9 (4)	32.2 (4)	-	-	August 2016	Adjusted Badlar + 4.85%
February 2015	Cablevisión (3)	286.3	286.3	-	-	February 2018	9.375% (5)

(1) Use of proceeds: Note refinancing.
(2) Use of proceeds: Acquisition of non financial assets and import financing.
(3) Destination: Prepayment of loans and financing working capital and capital investments.
(4) Corresponds to loan in pesos converted to US exchange rate of January 31, 2015 and December 2015, respectively.
(5) Fixed rate.

On January 30, 2015, the Company entered into a syndicated loan agreement with the 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 rate of adjusted BADLAR + 4.85%, with 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, and in order to finance working capital and capital investments.

As a result of the execution of the syndicated loan agreement, the Company 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 indebtedness above certain approved ratios, (iv) limitation on capital expenditure exceeding certain amount, and (v) limitation on transactions with shareholders and affiliates under certain conditions.

On April 28, 2014, at the Company's Annual General Ordinary and Extraordinary Shareholders' Meeting, the shareholders of the Company 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 CNV, to be issued in one or more classes and/or series for an aggregate principal amount, including of all classes and/or series outstanding under the Program, of up to USD 500,000,000, pursuant to the provisions of Law No. 23576, as amended (the "Notes Law").The Shareholders delegated on the Board of Directors the power to determine and establish all the other terms of each class and/or series of notes to be issued under the Program. They also delegated the approval of the agreements related to the issuance and placement of the notes to be issued under the Program. The Board of Directors may sub delegate all or some powers interchangeably to one or more directors or managers of the 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 corresponding registration of the Company before the special registry created by the CNV for such purpose. The VCPs shall 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 Notes Law, as amended. The Shareholders delegated on the 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 amount authorized at this Shareholders' Meeting. They also delegated the power to request CNV to register Cablevisión in the Special Registry for VCP Programs and to authorize the VCP Program. The Board of Directors may sub delegate all or some powers interchangeably to one or more directors or managers of the Company. As of the date of these financial statements, the Company has not initiated any proceedings before the CNV to make such placement.
On January 13, 2015, the Company 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 core business. As of December 31, 2015 this loan had been paid.

On July 16, 2015, the Company 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 core business. At the date of issuance of these financial statements this loan has been canceled.

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

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 the Company delegated on the Board of Directors the power to establish all the terms governing the issuance of the above-mentioned notes within the authorized maximum amount, including, without limitation, time and price of the issuance, form, payment terms, use of proceeds, applicable law.

On February 9, 2015, pursuant to its delegated powers, the Board of Directors of Cablevisión approved the issuance of Class V notes for a nominal value of USD 286,377,785.96 (the "Class V Notes"), at a fixed annual nominal rate of 9.375%, payable semiannually as from August 2016, with final maturity in February 2018. Such Notes have been 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.

In connection with the issue of Notes, the Company has undertaken certain covenants, including: (i) limitation on the issuance of guarantees by subsidiaries, (ii) consolidations, mergers and sales of assets under certain conditions, (iii) limitation on indebtedness above certain approved ratios, (iv) limitation on capital expenditures exceeding certain amounts, (v) limitation on transactions with shareholders and affiliates under certain conditions, and (vi) limitation on the issuance and sale of shares of significant subsidiaries with certain exceptions, among others.

During the period covered by these consolidated financial statements, it has met the commitments.

NOTE 26 – ALLOWANCES

	For doubtful trade receivables	For impairment of inventories	For obsolescence of material
Deducted from assets			
Balance at January 1, 2015	119,651,413	1,508,791	17,541,856
Increases / reclasifications	(1) 260,111,103	-	(2) 5,338,639
Decreases	(3) (184,036,290)	(1,440,772)	(3) (178,871)
Balance at December 31, 2015	**195,726,226**	**68,019**	**22,701,624**

(1) Included under "Doubtful accounts" in Note 8.
(2) Included under "Obsolescence of material" in note 8.
(3) Includes the currency translation of foreign operations.

	For doubtful deferred tax assets, net and tax loss carry forwards	For lawsuits and contingencies	Accrual for Asset retirement
Included in liabilities			
Balance at at January 1, 2015	1,868,547	192,071,075	9,515,603
Increases / reclasification	3,305	(1) 107,048,750	998,684
Decreases	(1,328,125)	(2) (27,730,299)	-
Balance at December 31, 2015	543,727	271,389,526	10,514,287

(1) Comprised of Ps. 42,995,499 charged to "Lawsuits and Contingencies" under Note 6 and Ps. 64,053,251 of tax interest charged to "Other financial income and expenses, net".
(2) Corresponds to payments, currency translation of foreign operations and allocations made during the year.

NOTE 27 - OPERATING LEASE AGREEMENTS

27.1. The Company as lessee

27.1.1. Lease agreements

Operating leases include the lease of business premises, warehouses, network use and machinery, the terms of which range between 1 and 18 years. All operating lease agreements for more than 5 years contain clauses that provide for market reviews every 5 years. The Company does not have the option to purchase the land leased upon expiration of lease terms.

27.1.2. Operating lease commitments that may not be terminated

The amounts shown on the table are expressed in millions of pesos:

	12.31.2015	12.31.2014	12.31.2013
1 year	218	115	90
Between 1 and 5 years	359	66	118
More than 5 years	30	18	14
	607	**199**	**222**

NOTE 28 - REGULATORY FRAMEWORK

28.1. Legal Status of Audiovisual Communication Services

28.1.1. Law No. 22285

The Company is the holder of licenses for the exploitation of subscription television services that were originally awarded under the regime established by Law No. 22285. The COMFER was the enforcement authority established by that law. Under Law No. 22285, subscription television 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 license authorized the holder to exploit the service in a given area that could be extended through an area extension request.

The multiple license regime established under Law No. 22285 did not set any limits to the ownership of subscription television services located in different area. Compliance with the multiple license regime was controlled with a focus on the individual or legal entity that hold licenses at the local level.

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. The Company and its subsidiaries that render cable television services hold licenses granted by COMFER under such Law. Some of the Company's licenses, including its original license (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 2 years from the date of the Decree, programming proposals that would contribute to the preservation of the national culture and the education of the population and a technology investment project to be implemented during the suspension term. COMFER's Resolution No. 214/07 regulated the obligations established by Decree No. 527/05 in order to benefit from such suspension. The proposals then submitted by the Company were approved and, accordingly, the terms of the licenses originally awarded to the Company, as well as the terms of the licenses to which the Company became the universal successor were suspended for 10 years.

COMFER Resolution No. 275/09 lifted a suspension of license grants that had been ordered by COMFER Resolution No. 726/00, 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, the Company 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 Company duly requested the COMFER's approval of several transactions, including several company reorganizations and share transfers corresponding to licensee companies. The approvals of said reorganization processes, except for the merger of Cablevisión and its subsidiaries (See Note 28.4.2) are still pending. However, by declaring the Proposal submitted by the Company 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 28.4.1.).

28.1.2. Law No. 26522

The Audiovisual communication services Law (Law No. 26522, 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. 22285 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 National 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 National 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, and
- 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. 22285 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 National Executive Branch regulated most sections of the LSCA by means of Decree No. 1225/2010. The most notably arbitrary provision of this decree is the highly discretionary mandatory divestiture system provided by the regulation of Section 50 of the LSCA, 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. Some industry players, including Grupo Clarín and its main subsidiaries such as the Company, made court filings on that basis that led to the provisional suspension of Section 161 of the LSCA with respect to Grupo Clarín, the Company and other subsidiaries, 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 its controlling company, among others, 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 conjuction with Note 28.3 "Decree No. 267/15".

28.2. 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. 27078, known as the "Digital Argentina Act", which partially repealed National Telecommunications Law No. 19798. 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 Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses and their respective registrations of services, remain unaltered.

The license is called "*Licencia Única Argentina Digital*" and allows 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 SECOM 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 No. 28.4.6.).

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 exploit telecommunication licenses to join the Trust Agreement.

The Argentine Secretariat of Communications has yet to decide on the approval of the Project submitted by Cablevisión on June 21, 2011, within the framework of SECOM Resolution No. 9/2011 which created the 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. 27078 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. 27078 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 conjuction with Note 28.3. "Decree No. Nº 267/15".

28.3. 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. 26522 and 27078, 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. 26522 and 27078, 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. 26522, 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. 26522, which establishes the multiple license regime, has been significantly amended. As a result, the Company and its subsidiaries that are licensees and/or owners of audiovisual communication services already conform to the new regulatory framework.

Under the new regulatory framework, the licenses for physical link subscription television services and for radio-electric link subscription television services held by the Company and its subsidiaries that had been granted under Laws Nos. 22285 and 26522 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. 27078), all the services exploited by the Company and some of its subsidiaries and related companies are now governed by the Digital Argentina Act. The only license held by the Company 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, its controlling company and its 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. 27078;
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 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. 27078 provides that *"the term for the use of radio electric spectrum frequencies by the holders of subscription television licenses allocated under Laws Nos. 22285 and 26522 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. 26522 and 27078, the physical link and radio-electric link subscription television services exploited by the Company and/or its Subsidiaries will continue to be solely subject to the fee regime provided under Law No. 26522. 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. 27078.

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. 1461/93, 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.

As of the date of these financial statements, the Bicameral Standing Committee has reviewed and declared the validity of the Emergency 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. 26122, the Emergency 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. The rights acquired during its effectiveness shall not be forfeited.

To date there are no judicial claims regarding the constitutionality of the Emergency Decree to which the Company and/or its subsidiaries is a party.

This Note should be read in conjuction with Note 28.2. "Telecommunications Services".

28.4. Matters related to the regulatory situation of the Company

28.4.1. Proposal to conform to the provisions of Law No. 26522

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. y Otros c/ Poder Ejecutivo Nacional s/ Acción meramente declarativa" (File No. 119/10), the Company and its controlling company 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 Company and its controlling company to the provisions of the LSCA. The Company and its legal advisors believe that this resolution was 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 and Grupo Clarín of its licenses and assets through an ex-officio procedure, on November 4, 2013 the Company and Grupo Clarín submitted to AFSCA and to the Supreme Court of Argentina a voluntary proposal to conform to the LSCA pursuant to section 161 of the LSCA, approved by the Company's Board of Directors on November 3, 2013, in an attempt to avoid the forced divestiture of its assets by AFSCA.

In conection 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 proposal -which did not interrupt any of the judicial actions brought by Grupo Clarín S.A. and the Company, among others, to defend their rights- was submitted together 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 had been submitted by the Company provided for the spinoff of two important business units, including licenses, operations, assets, liabilities, customer portfolios and personnel. Each of the resulting business units would have different shareholders and conformed individually to the provisions of sections 45 and 46 of the LSCA and its regulations. As a result of the voluntary conforming proposal: (a) the Company identified in the proposal as Business Unit 2, would continue with its business activities and operations as the successor to all of the assets, rights and obligations that are not spun off; (b) certain assets, liabilities, rights and obligations identified as Spun Off Company 1 and allocated in the proposal to Business Unit 1 would be used to set up a new company, including 24 local licenses for physical link subscription television services and 2 licenses for radio-electric link subscription television services, in cities where there is no incompatibility with broadcast TV; and (c) certain assets, liabilities, rights and obligations identified as Spun Off Company 2 and allocated in the proposal to Business Unit 3 would be used to set up a new company, including 22 licenses for physical link subscription television services and 10 licenses for radio-electric link subscription television services. The assets of Business Unit 3 would include, on the one hand, the licenses to which the Company was now the lawful successor pursuant to a merger with a former licensee and, on the other hand, all direct and indirect interests through which the Company holds participations in other licensees of audiovisual media services.

The three units that will result from the Company´s adjustment to conform to the LSCA would each have a market share lower than the limit established by the law. The Company would carry out the divestiture at an individual and/or group level by transferring to each unit the respective assets of certain licenses detailed in the proposal.

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 Grupo Clarín S.A., 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 the LSCA 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 that agency 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 to consolidate the number of subscription television licenses for the purpose of conforming Cablevision to the LSCA, the Company used the coverage area extension mechanism provided under 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 the Company since the enactment of the LSCA 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 the multiple license regime and the admissibility conditions provided by the LSCA.

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, Arte Radiotelevisivo Argentino S.A. ("ARTEAR"), Radio Mitre S.A. ("Radio Mitre") and the Company 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 AFSCA Resolution No. 2205/12, would be counted as from the moment the parties were served notice of that 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 proposal submitted by the Company was formally admissible, AFSCA stated that the withdrawal of claims made under Proceeding File No. 21788/08, as well as those made under the proposal submitted by the Company, were embedded in the process provided under Section 161 of the LSCA. Accordingly, they were deemed to be approved within the framework of the proposal that was declared formally admissible.

On May 15, 2014, the Company 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 AFSCA´s authorization for the amendment of the Company's Bylaws, pursuant to Section 25 of Law No. 26522.

Also on May 15, 2014, Grupo Clarín notified AFSCA that on May 14, 2014 it had requested from the CNV the administrative approval of the spinoff process to be implemented by Grupo Clarín.

On May 16, 2014 and on June 15, 2014, and pursuant to Section 27 of the Audiovisual Communication Services Law, Grupo Clarín made a filing before AFSCA in order to notify that agency of the new shareholder structure of: i) Grupo Clarín, 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 the Company, CV Dominio S.A., which would have resulted if the spinoff informed on May 15, 2014 had occurred.

On May 28, 2014, Grupo Clarín 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 the Company such that, upon consummation of the spin-off of the Company, the offerors would be entitled to receive sixty percent (60%) of the shares that were to be issued by Spun off Company 2 of Cablevision (Unit III under the Proposal).

On June 25, 2014, Grupo Clarín, ARTEAR, Radio Mitre and the Company were served with a Note from AFSCA communicating a series of considerations about: a) the administrative approval requested from the CNV of the spinoff process of Grupo Clarín and the Company, and b) the authorization requested for the amendment of the Company's Bylaws. 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 the Company's Bylaws; iii) stated that it understood that the Company 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 Grupo Clarín and the Company 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

Grupo Clarín, the Company, and the companies to be created under the spinoff must be absolutely independent and unrelated among each other, without any common shareholders.

On June 30, 2014, Grupo Clarín and the Company, made a filing before AFSCA in order to respond to the Note dated June 25, 2014. The companies informed AFSCA that: i) the Company would comply with the observations made on some of the proposed changes to the Company's Bylaws, and that it would reformulate the proposed bylaws subject to the approval of the shareholders; ii) once approved by the shareholders of the Company, it would file the proposed bylaws for each of the companies to be spun off the Company, which had to be necessarily identical to the Company´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, the Company could not continue to be held liable for the acts of the spun off companies and/or related contingencies, because the Company had undertaken before AFSCA to comply with the requirement of absolute independence among Cablevisión and the spun-off companies; iv) Grupo Clarín and the Company had undertaken to inform as promptly as possible the decisions rendered by their shareholders at Shareholders' Meetings; and v) compliance with approval conditions to be met by Grupo Clarín had been acknowledged by that Agency. The companies also stated that they had reaffirmed the their commitment undertaken under the Proposal in connection with the independence between Grupo Clarín and its spun-off company and among the Company and its spun-off companies, except with respect to Grupo Clarín'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 ocurred 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, several fillings were made 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;
- National Antitrust Commission;
- Argentine Securities Commission;
- Secretary of Communications;
- Before AFSCA, informing the above-mentioned filings.

The Company made new filings requesting AFSCA to grant service authorizations for subscription television services that, as a result of the reorganization, would not change their conformation.

Cablevisión made filings before AFSCA in which it reserved its rights and made statements in connection with the interpretation of certain recitals of AFSCA Resolution No. 193/2014 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 the Company.
- 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.

Pursuant to Note No. 263/AFSCA/DGAJyR/SGAJ/2014, AFSCA informed the Company that AFSCA's Board had approved the amendments proposed by the company to the Proposal with respect to Necochea, La Dulce, Lobería, Monte de los Gauchos, Godoy and Rawson.

The Company obtained from its subsidiaries a confirmation of the proposal filed by the Company, and provided evidence of such circumstance to AFSCA pursuant to AFSCA Resolution No. 193/2014. The confirmations that were filed as of the closing date of these financial statements 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 the Company 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. The Company 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 Grupo Clarín, controlling shareholder of the Company, decided at an Extraordinary Shareholders' Meeting to approve the partial spinoff of Grupo Clarín and the creation of a new company under the name Cablevisión Holding S.A.

The Board of Directors of the Company moved forward with the tasks for the implementation of the Proposal submitted by the 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 with the consequent reduction of its equity and the amendment of its bylaws. The Board of Directors 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 June 30, 2014, the shareholders of the Company approved its partial spinoff under the terms described in the spinoff prospectus submitted by the Company before the CNV in compliance with applicable legislation for (i) the creation 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 part of the spun-off equity with La Capital Cable S.A. and (iii) the merger of a part of the spun-off equity with Tres Arroyos Televisora Color S.A.

On July 24, 2014, the Company made a filing before AFSCA in order to notify that agency that on June 30, 2014, the shareholders of the Company, at the Extraordinary Shareholders' Meeting, had unanimously approved: i) the proposal for the partial spinoff 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 to be spun off.

Also on July 24, 2014, Grupo Clarín made a filing before AFSCA in order to notify that agency that the shareholders of Grupo Clarin, in connection with the implementation of the Proposal declared formally admissible under AFSCA Resolution No. 193/2014, had approved: i) the proposal for the partial spinoff of Grupo Clarín and the consequent creation of a new company; ii) the irrevocable offer received by Grupo Clarín for the acquisition of a number of shares of the Company such that -once the process to conform to the Audiovisual Communication Services Law has concluded- its acquirer will become holder of Cablevisión Spinoff 2, i.e., Unit III under the Proposal; iii) the transfer in favor of Inversora de Eventos S.A. ("IESA") of the assets owned by ARTEAR allocated to Unit IV; iv) the irrevocable offer to transfer the equity interests owned by Grupo Clarín and GC Minor S.A. in IESA in favor of a trust to be created; v) the irrevocable offers received by Radio Mitre 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.

On July 25, 2014, Grupo Clarín made a filing before 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 the Company 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, the Company requested the SECOM to register the telecommunications licenses directly or indirectly owned by the Company under the name of the surviving company in accordance with the procedure to conform the Company to the Audiovisual Communication Services Law No. 26522.

On August 13, 2014, AFSCA notified Grupo Clarín of AFSCA Resolution No. 902/2014. 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 a Grupo Clarín, ARTEAR, Radio Mitre and the Company to ratify their intention to fulfill, with no changes, the Proposal that was declared formally admissible pursuant to AFSCA Resolution No. 193/2014 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. 19549.

On August 19, 2014, the Board of Directors of the Company took note of AFSCA Resolution No. 902/2014, highlighting the threat contained in that Resolution to apply the ex officio implementation of the Proposal even though the term granted by AFSCA Resolution No. 193/2014 for its execution had not yet expired, in addition to being legally inapplicable.

On August 19, 2014, the Company made a filing with AFSCA together with Grupo Clarín, ARTEAR and Radio Mitre 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 wich it had been approved pursuant to AFSCA Resolution No. 193/2014, in the same terms of its approval. The Company requested AFSCA (i) to order and decide on the prior acts that were 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 took 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, as decided by the shareholders at the General Extraordinary Shareholders' Meeting held on January 12, 2016, because the prior regulatory authorizations have not been granted as provided under its spinoff prospectus.

On September 19, 2014, the Company, Grupo Clarín, ARTEAR and Radio Mitre were served with Note No. 640 AFSCA/DGAJyR/SGAJ/DAyT/14, which stated that the analysis of the Company's filing 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 the Company and the other 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. 26522.

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 those companies 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 LSCA.
On October 9, 2014, AFSCA notified Grupo Clarín, ARTEAR, Radio Mitre and the Company of AFSCA Resolution No. 1121/2014 whereby it decided to (i) reject the spinoff project of Grupo Clarín, the spinoff project of the Company, the formation of the foreign trusts and the transfers proposed by Grupo Clarín, ARTEAR, Radio Mitre and the Company, (ii) initiate the Ex-Officio Transfer procedure pursuant to Section 1, subsection a) of Annex I of AFSCA Resolution No. 2206/2012, (iii) compel Grupo Clarín, ARTEAR, Radio Mitre and the Company expressly to 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 Grupo Clarín, ARTEAR, Radio Mitre and the Company expressly to 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. 22253-AFSCA/13: failure to do so would be sanctioned pursuant to Section 5 of Annex I of AFSCA Resolution No. 2206/2012; (v) compel Grupo Clarín, ARTEAR, Radio Mitre and the Company 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 Grupo Clarín, 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, Grupo Clarín 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. Grupo Clarín, ARTEAR, Radio Mitre and the Company, (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 Grupo Clarín, nor ARTEAR, Radio Mitre or the Company were 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 Grupo Clarín, ARTEAR, Radio Mitre and the Company 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 Grupo Clarín 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, Grupo Clarín, ARTEAR, Radio Mitre and the Company 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, Grupo Clarín, 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 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 precautelar*) in re "GRUPO CLARÍN c/ ESTADO NACIONAL s/ Acción Declarativa", 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". Such decision was informed to AFSCA 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 AFSCA Resolution No. 1121/2014 as long as the interim injuction is in effect. After being served with AFSCA Resolution No. 2276/2012, the claimants had requested an injunction in re "GRUPO CLARÍN c/ ESTADO NACIONAL s/ Acción Declarativa", the ordering the suspension of the application of point b), Subsection 3, Section 161 of Decree No. 1225/2010, 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. 2206/2012, 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. 1225/2010; 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. 1225/2010; and 5) AFSCA Resolution No. 2206/2012 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 AFSCA Resolution No. 2276/2012, which had also ordered the ex-officio forced divestiture procedure, was revoked by AFSCA after the Proposal had been submitted, the injunction was granted only after claimants were served notice of AFSCA resolution No. 1121/2014.

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 7263/2012), 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 AFSCA Resolution No. 1121/2014 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, Grupo Clarín 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.

Grupo Clarín, ARTEAR, Radio Mitre and the Company believe that they have executed the Proposal that was declared formally admissible pursuant to AFSCA Resolution No. 193/2014, fully in accordance with the commitment undertaken by them and in compliance with the applicable regulatory framework, and consider that AFSCA Resolution No. 1121/2014 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 Grupo Clarín's understanding that AFSCA made an unconstitutional application of Sections 45, 48 and 161 of Law No. 26522, of Decree No. 1225/10 and of the implementing regulations issued pursuant to AFSCA Resolutions Nos. 297/2010 and 2206/2012—on March 5, 2015, the claimants broadened the scope of the claim filed in re "GRUPO CLARÍN v. NATIONAL GOVERNMENT on Incidental Procedure" (File 7263/2012), 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. 1121/14 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. 1121/14, 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 actors and its subsidiaries in the consideration of their proposal to conform to the license regime provided under Section 45 of Law No. 26522 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. 26522; 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 extension was granted for a term of six months, counted as from the date on which notice of the decision was served, that is to say, on July 15.

The claimants requested a new extension of the effects of the interim injunction. On December 18, 2015, the Judge granted a preliminary injunction maintaining the effectiveness of the injunction, 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, Grupo Clarín 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 AFSCA Resolution No. 1121/2014 and the "Ex-Officio Transfer Procedure".

Within the framework of the claims brought by the Company 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. 26522, on November 27, 2012, the 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, the Company amended the original injuction 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 the Company; (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 the Company that are necessary for the 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.

The Company 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 the Company'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 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 that - 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. 26522. Once the corresponding responses were filed, such request was dismissed by the Judge on July 15, 2015. To date, that 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.

On January 12, 2016, at the General Extraordinary Shareholders Meeting, the shareholders of the Company considered the possibility of amending the Proposal that had been submitted pursuant to Law No. 26522 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 obiter dicta 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 Grupo Clarín S.A. and the Company; 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, the partial spinoff of the Company and the decisions of the shareholders at the shareholders' meetings of March 20, 2014, of June 30, 2014- in all relevant aspects-, (b) to instruct the Board of Directors 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, (c) 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. 26522 and its regulations, among which is the proposal submitted by the Company and its controlling company, comply with the limits relating to multiplicity of licenses set forth under Section 45 of Law No. 26522 amended by the Emergency Decree. Therefore, they shall be deemed concluded and filed. In the same administrative act, ENACOM revoked Resolution No. 1121/AFSCA/2014.

28.4.2. Resolution No. 577/COMFER/09

Under Proceeding File No. 21788/08 dated November 17, 2008, the Company informed the COMFER about the corporate business reorganization process effective as of October 1, 2008. In that same act, the Company 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, the Company became the universal successor of 158 licenses to exploit Supplementary Services in several locations (pursuant to section 44, subsection b) of Law No. 22285). To avoid having multiple licenses, the Company 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 the Company, requesting the Company to submit a divestiture plan on the grounds that the license relinquishments spontaneously communicated by the Company were not sufficient.

On March 3, 2010, Grupo Clarín 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 the Company. 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 (subsecuently 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.

28.4.3. 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.

Pursuant to AFSCA Resolution No. 193/2014, the Company 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, the Company understands that the filings made by the company became moot as a result of the application of the Emergency Decree.

28.4.4. Other charges brought by the AFSCA, today ENACOM

Between September and October 2011, AFSCA brought 46 charges of delegation of the exploitation of several licenses of which the Company is currently the legal successor. The charges were brought within the framework of COMFER file No. 2005/08, 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 the Company 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 COMFER Resolution No. 577/09. Therefore, the Company understands that the charges have become moot and, therefore, it will request the ENACOM to file the proceedings.

28.4.5. 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. 1225/2010.

In spite of Cablevisión's efforts to organize its programming grids in accordance with the provisions of section 65 of the LSCA, the 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 the Company, while other proceedings are pending resolution. The Company has appealed these decisions. Some of the appeals filed by Cablevisión have been decided against it and have again been appealed.

Insofar as the Company is concerned, as of the date of these financial statements, an injunction issued in re "CABLEVISIÓN S.A. C. ESTADO NACIONAL Y OTRO S. AMPARO" 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 LSCA and Decree No. 1225/2010. 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 to have the case brought before the Supreme Court. Such appeal was dismissed. Consequently, AFSCA filed a direct appeal with the Supreme Court, which is still pending resolution.

In re "AFSCA c/ CABLEVISION SA DTO. 1,225/10 – RES. 296/10 s/ PROCESO DE CONOCIMIENTO", currently pending before the Federal Court of First Instance on Administrative Matters No. 9, on May 16, 2012 the Court granted an injunction that had been requested by AFSCA, ordering Cablevisión and/or the pay television audiovisual services it exploits, to conform to Section 65, paragraph 3 b), of Decree No. 1225/2010 and Sections 1, 2, 3, 4 and 5 of AFSCA Resolution No. 296/2010 until a final judgment is rendered on the merits of the case. The Company has appealed such injunction.

On August 6, 2012, the Company was served notice of a decision rendered by the Federal Court of First Instance on Administrative Matters No. 9 of the Autonomous 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 the Company to comply with Section 65 of Decree No. 1225/2010 and AFSCA Resolution No. 296/2010. The Company filed an appeal against that decision in due time and form. However, the Court of Appeals ignored the strong grounds asserted by the Company, 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. The Company filed an extraordinary appeal to have the case heard by the Supreme Court, but the appeal was rejected by the Court of Appeals. The Company filed a direct appeal before the Supreme Court, which was rejected.

On October 21, 2013 the Company was served with new charges brought for alleged noncompliance with AFSCA Resolution No. 296/2010, clearly violating the preliminary injunction mentioned above. Accordingly, the Company filed an appeal, but no decision has been rendered on the matter as of the date of these financial statements.

On December 23, 2013, the Company informed AFSCA of its new programming grid in digital and analogical systems, expressly maintaining the Company´s reservation of its right to continue challenging the legality and constitutionality of section 65 of Decree No. 1225/2010 and AFSCA Resolution No. 296/2010, as amended.

Section 7 of the Emergency Decree, which amends, among other things, Section 10 of Law No. 27078 provides that all the physical link and radio electric link subscription television services shall be governed by the Digital Argentina Act. Therefore, the Company is no longer subject to Section 65 and its implementing regulations.

28.4.6. Fibertel license

On August 5, 2010 the Company was served with CNC Resolution No. 2936/2010 within the framework of Administrative Proceeding EXPCNC No. 2,940/2010, pursuant to which the Company 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 CNC disregarded the corporate reorganization that was completed and registered before the IGJ, whereby Fibertel merged into the Company effective as of April 1, 2003. By virtue of that merger process, the Company became the universal successor to all of the assets, rights and obligations of Fibertel, as the merged company, including the Exclusive License awarded through SECOM Resolutions Nos. 100/96, 2375/97, 168/02 and 83/03. Therefore, Fibertel did not transfer or divest of its rights and obligations to third parties – among them, those derived from the abovementioned 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 CNC and through the CNC, the Secom were notified of the corporate business reorganization so that they may acknowledge it. The technical and legal areas of the CNC issued favorable decisions with respect to compliance with current regulatory requirements to register Fibertel's license under the name of the Company as surviving company. The 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.

The Company believed that the Resolution was arbitrary and that it flagrantly violated due process and the Company's defense right. Therefore, the Company has appealed such Resolution before the administration.

On August 19, 2010 the SECOM issued Resolution No. 100/10, whereby it revoked the license that had been granted to Fibertel. The Company believed that this resolution was an absolutely null and void administrative act. Its language contradicted express provisions of the National Constitution, of Law No. 19550, as amended, Decrees No. 1185/90 and No. 764/00 and Law No. 19549 of Administrative Procedures, among others. The resolution disregarded the several filings made by the Company with the SECOM requesting such agency to issue an administrative act evidencing that Cablevisión, pursuant to section 82 of the General Argentine 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 the Company 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, the Company 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 the Company 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 Autonomous City of Buenos Aires, in re "ASOCIACIÓN PARA LA DEFENSA DE LA COMPETENCIA c/ ESTADO NACIONAL SECRETARÍA DE COMUNICACIONES s/ AMPARO" confirmed the decision rendered in the first instance, stating that the National Government, SECOM, 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. c/ESTADO NACIONAL s/AMPARO", 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 services offered by the Company.

On December 20, 2011, at the request of the Company, a new preliminary injunction was issued in re "CABLEVISION S.A. c/ Estado Nacional – Secretaría de Comunicaciones s/ Amparo". On the basis of the abovementioned precedent and on the existing connection between the subject matters of both cases, as alleged by the Company, 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. 26522 would affect the assets used to provide Internet access services, within the framework of this same file, the Company 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 the Company. 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 injunction, Cablevision is authorized to continue to render the telecommunication services originally 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.

28.4.7. Nextel

On September 10, 2015, the Board of Directors of the Company 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. (hereinafter, "Nextel") 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 the Company 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, the Company 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 the Company 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, the Company 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, the Company 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. 27078 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

The Company and its controlling 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. 1950/15, 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 the Company 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 Nextel's licenses over such frequencies in that same act.

After both administrative acts became public, the Company and its controlling company, 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. 2472/2015 on the grounds that the Company and its controlling company are not considered to be parties to the proceeding.

On October 9, 2015, Grupo Clarín and the Company 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 the Company 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 the Company 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, the Company 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. 27078 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 the Company 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 Resolution No. 325/AFTIC/2015. Even though this Resolution does not entail the automatic extension of the frequencies involved, the ENACOM ordered the corresponding areas to analyze each file to verify compliance with the requirements of the effective regulatory framework to be eligible to obtain the requested extensions.

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

Through ENACOM Resolution No. 280/2016, served on the Company on March 8, 2016, the Enforcement Authority authorized the changes in the equity interests of NEXTEL COMMUNICATIONS ARGENTINA S.R.L. in favor of Cablevisión S.A.

28.5. Audiovisual Communications Law of the Republic of Uruguay

Law No. 19307 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 six authorizations or licenses to render television services to subscribers throughout the national territory of Uruguay. Such limit is reduced to three 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 of Uruguay 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 the Company 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 29 - PROVISIONS AND OTHER CHARGES

	12.31.2015	12.31.2014	12.31.2013
Non-Current		Ps.	
Accrual for asset retirement	10,514,287	9,515,603	8,882,952
Provisions for lawsuits and contingencies	271,389,526	192,071,075	157,567,793
	281,903,813	**201,586,678**	**166,450,745**

Movements of the provisions and other charges

	Accrual for asset retirement	Provisions for lawsuits and contingencies	Total
		Ps.	
Balance at 1 January, 2013	8,824,866	142,540,082	151,364,948
Increases / reclassifications	58,086	30,225,025	30,283,111
Accrual of interest	-	1,853,251	1,853,251
Uses	-	(17,454,656)	(17,454,656)
Currency translation of foreign operations	-	404,091	404,091
Balances at December 31, 2013	**8,882,952**	**157,567,793**	**166,450,745**
Increases / reclassifications	632,651	61,777,769	62,410,420
Accrual of interest	-	1,793,885	1,793,885
Uses	-	(29,093,174)	(29,093,174)
Currency translation of foreign operations	-	24,802	24,802
Balances at December 31, 2014	**9,515,603**	**192,071,075**	**201,586,678**
Increases / reclassifications	998,684	42,995,499	43,994,183
Accrual of interest	-	64,053,251	64,053,251
Uses	-	(27,741,569)	(27,741,569)

Currency translation of foreign operations	-	11,270	11,270
Balances at December 31, 2015	**10,514,287**	**271,389,526**	**281,903,813**

29.1. Legal and administrative processes and other commitments

a) As from November 1, 2002 and until December 31, 2014, the COMFER and the AFSCA have initiated summary administrative proceedings against the Company and Multicanal (merged into Cablevisión) for infringements of regulations relating to programming content. Accordingly, a provision has been set up in this regard.

b) The CNDC initiated three legal actions following complaints filed by other cable television companies under Law No. 25156 alleging an improper refusal by Dayco Holdings Ltd. ("Dayco"), a subsidiary of Fintelco S.A., to sell rights to broadcast South American qualifying football matches of the Korea/Japan 2002 World Cup. On February 14, 2003, the CNDC served the Company notice of the complaint in one of the legal actions to provide explanations.

The Technical Coordination Head of the Ministry of Economy and Production resolved that the proceedings related to one of the actions above should be closed. Although Dayco submitted the required responses and the Company did the same on March 10, 2003, decision by the CNDC is still pending.

The Company and Multicanal are a party to several administrative proceedings within the framework of the Antitrust Law, facing charges of restrictive behavior, including the territorial division of markets, price discrimination, abuse of a dominant position, refusal to deal and predatory pricing. They are also party to a proceeding filed by the Cámara de Cableoperadores Independientes (Chamber of Independent Cable Operators), objecting the transactions effected on September 26, 2006 described in Note 4.a).

On July 16, 2010, the SCI notified Cablevisión and Multicanal of the content of Resolution No. 219/2010, whereby the Secretary of Domestic Trade decided to declare both companies responsible for having agreed to divide among themselves the pay television market of the City of Santa Fe. Consequently, it imposed a joint and several fine of Ps. 2.5 million to each company. On July 26, 2010, both companies appealed the resolution, presenting new arguments in connection with the application of statutes of limitation, which had already been alleged prior to the issuance of the resolution.
On June 4, 2012, the Federal Court of Appeals of Rosario partially confirmed SCI Resolution No. 219/2010, whereby the Secretary of Domestic Trade found that Cablevisión and Multicanal had engaged in market sharing practices in connection with the paid-television service in the City of Santa Fe and reduced the fine imposed on each of the companies involved from Ps. 2.5 million to Ps. 2 million. However, this decision is not yet final, because Cablevisión and Multicanal and the Ministry of Economy filed appeals which are still pending before that Court of Appeals. On October 21, 2014, the Argentine Supreme Court dismissed the appeals; therefore, Resolution No. 219/2010 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.

On March 1, 2011, the SCI served notice to Multicanal and Cablevisión of the content of Resolution No. 19/11, whereby the Secretary of Domestic Trade found that both companies had engaged in market sharing practices in connection with the paid television service in the City of Paraná, and imposed a fine of Ps. 2.5 million on each of them. The Company filed an appeal in due time and form. This appeal was dismissed by the Federal Court of Appeals of Paraná. Therefore, the Company filed an appeal with the Argentine Supreme Court. On November 4, 2011, the appeal to the Supreme Court of Argentina filed by the Company in connection with SCI Resolution No. 19/11 was partially granted by the Federal Court of Appeals of Paraná.

On August 30, 2012, the Argentine Supreme Court dismissed the appeal filed by the Company; 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.

The investigations carried out by the CNDC and SCI may lead to the imposition of more fines pursuant to Law No. 25156, which would be appealable. The eventual fines would be graduated based on: (i) the loss incurred by the persons affected by the allegedly prohibited activity; (ii) the benefit obtained by all the persons involved in the prohibited activity and (iii) the value of the assets involved owned by the persons indicated in item (ii) above at the time the alleged violation was committed. To date, there is not any standard criterion on the application of the above-mentioned parameters.

While Cablevisión believes that its conduct and that of Multicanal have always been within the bounds of the Argentina 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.

c) In 2003, ELP Investments filed a criminal complaint in Argentina against certain individuals related to the Hicks Muse Tate & Furst Group ("HMTF"), including some who were Directors of the Company. The criminal complaint, which was filed by a person that is not a shareholder or creditor of Cablevisión, challenged certain operations undertaken by the Company. Although the Company believes that the party filing the complaint was not entitled to do so, and that the allegations by ELP Investments were false or wrongly presented, the court handling this case ordered searches at the Company's offices, as well as the seizure of certain of the Company's corporate books. On June 27, 2003, the criminal court appointed an agent to gather information regarding the case at the Company's offices for a forty five-day period. On September 16, 2003, this period was extended for forty five additional days. The Company and the Directors affected by the complaint have each denied the allegations and have offered supporting evidence and the Company appealed the court's appointment of the agent. On October 21, 2003, Chamber IV of the Criminal Court of Appeals declared the nullity of all the decisions made and actions taken by the lower court judges. The litigation, however, continued through the filing of remedies before the Court of Cassation on Criminal Matters (the highest criminal court) and the Argentine Supreme Court. The Court of Cassation on Criminal Matters has resolved to revoke partially the decision of Chamber IV, although the majority of the court upheld the principles and grounds of Chamber IV's decision. Notwithstanding the aforesaid, the Court of Cassation on Criminal Matters decided that certain motions relating to pending injunctions be resolved prior to any further action in the proceeding. It should be noted that after the share transfers made in 2006, the companies represented by the parties involved in the above mentioned case have ceased to be shareholders of the Company. Cablevisión has never been a party to the case. On July 3, 2009 Chamber IV of the Criminal Court held that since the court appointed agent was no longer gathering Company information, the petitions filed against such appointment were moot.

On May 11, 2010, the Court of First Instance on Preliminary Criminal Matters declared the criminal action extinguished pursuant to applicable statutes of limitations and therefore finally acquitted the accused from all the crimes denounced by ELP Investments. Such resolution was appealed by the intervening prosecutor, and Chamber IV of the Court of Appeals on Criminal and Correctional Matters must now render a decision on the matter. Such Chamber has suspended the proceedings dealing with the incidental demand dealing with the application of statutes of limitation to the criminal action. This suspension results from a new plea filed by the former plaintiff, ELP Investments that wishes to be a party to the incidental demand. To date, Chamber IV has not allowed former plaintiff, ELP Investments, to be a party to the incidental demand. This demand has given rise to claims by ELP Investments and to an appeal before the Court of Cassation on Criminal Matters, which is still pending.

d) The Government of the City of Mar del Plata enacted Ordinance No. 9,163, 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 provides that in those areas where street lighting has underground wiring, cable television networks are to be placed underground. 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. The bill is no longer valid because the Municipal Council did not discuss it during the legislative period in which it was submitted. 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.

e) Multicanal has initiated several legal actions seeking the nullity of: i) all the ordinary shareholders' meetings held by Supercanal Holding S.A. from the year 2000 to the date hereof and ii) the sureties granted by Supercanal S.A. securing bank loans granted exclusively for the benefit of the controlling group of Supercanal Holding S.A. (Grupo Uno S.A. and its affiliates). In addition, a legal action was filed seeking the dissolution and liquidation of Supercanal Holding S.A. together with a legal action seeking the removal of all the members of the Board of Directors and the Supervisory Commission and the dissolution of Supercanal Capital N.V. Supercanal Holding S.A. On March 29, 2000 Supercanal filed for concurso preventivo (judicial restructuring proceedings) with the National Court of First Instance on Commercial Matters Court No. 20, Clerk's office No. 40, and the proceedings began on March 27, 2001. On December 26, 2007 the court dismissed the objections filed against such proceedings, and confirmed the restructuring proposal. Such ratification was appealed by secured creditors. On October 30, 2009, the Court of Appeals revoked the confirmation of the restructuring proposal and requested the company under reorganization to provide certain explanations and clarifications on the proposal filed and to grant a guarantee to creditors that had been secured with a pledge on the shares of the original shareholders. Supercanal filed a document stating that it had complied with both requirements and providing a guarantee in the amount of Ps. 2 million for the benefit of such secured creditors. On March 3, 2011, the first instance judge again confirmed the restructuring proposal. Such judgment was again appealed by the secured creditors. On December 28, 2011, Chamber A of the Court of Appeals partially revoked the decision of the first instance judge, maintaining the confirmation of the proposal filed by Supercanal Holding S.A. but providing that the guarantee for the creditors secured with pledges on shares should be US$ 30 million.

On April 23, 2012, a decision was rendered on one of the claims brought by Multicanal against Supercanal ordering the nullification of the decisions made at Supercanal's Shareholders' Meeting held on January 25, 2000 in considering points 2, 4, 5 and 6 relating to: i) the capital reduction to Ps. 12,000; ii) the cancellation of the shares corresponding to the reduced capital; iii) the capital increase to Ps. 83,012,000; iv) the delegation to the Board of Directors of the fixing of the term for the subscription and payment of the increase and the cancellation and registration of outstanding shares; and v) the amendment of the by-laws in connection with the changes in the capital stock in a new shareholders' meeting.

Such decision was appealed by both parties and the appeal is pending before the Court of Appeals.

On December 12, 2001, Supercanal Holding S.A. filed a claim against Multicanal for damages as a result of the enforcement of a preliminary injunction brought by Multicanal in re: "Multicanal S.A. c/Supercanal Holding S.A. s/sumario". The injunction, which was later reversed, sought to nullify the January 25, 2000 Extraordinary Shareholders' Meeting of Supercanal Holding S.A. At that meeting, the shareholders of Supercanal Holding S.A. reduced the capital stock of Supercanal Holding S.A. to Ps. 12,000 and subsequently increased it to Ps. 83,012,000. Supercanal Holding S.A. claims that the suspension of the effects of the January 25, 2000 shareholders' meeting caused that company´s inability to meet its ordinary course payments when due. Multicanal responded to such claim denying any liability on the grounds that Supercanal Holding S.A.'s inability to pay its obligations when due had begun before the date of the suspension of the shareholders meeting according to documentation provided by the plaintiff itself. Furthermore, the suspension of the meeting did not prevent capitalization of Supercanal Holding S.A. through other means. Based on the records of the case, Cablevisión, as Multicanal's continuing company considers that the claim should be rejected in its entirety, and the legal costs should be borne by the plaintiff. The case is in the discovery period. The court of First Instance has dismissed Supercanal Holding S.A.'s request that it be allowed to sue without paying court fees or costs and that decision has been confirmed by the National Court of Appeals.

No assurance can be provided that Multicanal will obtain an economic or financial gain as a result of these actions. At present, as a result of the ancillary jurisdiction of the "concurso preventivo" ("bankruptcy proceedings") proceedings of Supercanal Holding S.A., all the claims are brought in the abovementioned Court.

f) 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 c/ CableVisión y otros" is still pending before the Federal Court on Administrative Matters No. 2. The purpose of that claim was to challenge the share transfers mentioned in Note 1.2.a) and to request the revocation of Cablevisión's broadcasting licenses. The Company 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.

g) Multicanal has become aware of a legal action (the contents of which have not yet been notified to it as of the date of these financial statements) brought against it by an entity representing consumers and alleged financial victims (and by six other individuals), claiming damages suffered by noteholders – individuals who are not professional investors or consumers – derived from Multicanal's Acuerdo Preventivo Extrajudicial ("Out-of-court Reorganization Proceeding" or "APE"). Since neither Multicanal nor the Company, as Multicanal's continuing company, have been served notice of the claim, we cannot ascertain its outcome for the Company.

h) On January 22, 2010, the Company was served notice of CNDC Resolution No. 8/10 issued within the framework of File No. 0021390/2010 entitled "Investigación de Oficio de los Abonos Del Televisión Paga (C1321)". Pursuant to this Resolution, the Company and among other companies was ordered to refrain from conducting collusive practices and, particularly, from increasing the price of cable television subscriptions for a term of 60 days, counted as from the date all required notices are certified on the court record as completed. According to said Resolution, companies that have already increased the price of their 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 the Company to refund to its subscribers in the March 2010 invoices the amount of any price increase made after the date of CNDC Resolution No. 8/10.

The company appealed both resolutions in due time and form and their effects were suspended by an injunction granted by Chamber No. 2 of the Federal Civil and Commercial Court of Appeals at the request of the Company. 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 1473/2010), 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.

i) 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 Company 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, the Company 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, the Company 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 the Company and/or some of its subsidiaries, like other companies in the industry, have strong constitutional arguments to support their position, it cannot be assured that the final outcome of this issue will be favorable. Therefore, the Company may be forced to modify the price of its pay television subscription, a situation that could significantly affect the revenues of its core business. This creates a general framework of uncertainty over the Company's business that could significantly affect the recoverability of its relevant assets. 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. c/ Ministerio de Economía-Secretaría de Comercio Interior de la Nación", 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 the Company alleging that it had failed to comply with the information regime set forth by Resolution No. 50/10 and invoking the Consumer Defense Law to impose such penalty. The fine was appealed and submitted to the Federal Court of Appeals on Administrative Matters, Chamber No. 5 which decided to reduce the fine to Ps. 300,000. The Company 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 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 of 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.

The Company believes that Resolution No. 36/11 is illegal and arbitrary, since it is grounded on Resolution 50/10, which is absolutely null and void. Since the application of Resolution No. 50/10 has been suspended, the application of Resolution No. 36/11, which falls within the framework of the former, is also suspended.

The claim filed by the Company seeking the nullification of Resolution No. 50/10 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. The Company 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, the Company 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, the Company continues to be protected by said preliminary injunction, and therefore, the ordinary course of its business will not be affected.

On April 23, 2013, the Company was served notice of a decision rendered in re "Defensor del Pueblo de Buenos Aires c/Cablevisión S.A. s/Amparo Ley 16,986 (Incidente de Medida Cautelar)" 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 fine of Ps. 100,000 per day on the Company.

The Company 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 the Company 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 y Otros c/ Estado Nacional y Otros s/ Medida Precautoria". 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. The Company filed an appeal against that decision in due time and form. On October 16, 2013, the Court of Appeals dismissed the appeal filed by the Company. On that same date, the Company settled the fine in the amount of Ps. 1,260,000 and compliance was recorded in the file.

On June 11, 2013, the Company 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.

The Company 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 Federal Court on Administrative Matters and the Federal Court on Civil and Commercial Matters declined jurisdiction to enforce the injunction ordered by the Federal Judge of La Plata. The Company has appealed the decision in connection with the lack of jurisdiction in due time and form. Chamber No. 1 of the Federal Court of Appeals on Civil and Commercial Matters confirmed the appealed decision. Accordingly, the Company 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, both parties requested the suspension of the procedural terms for 180 days. The judge granted such request. Therefore, the procedural terms were suspended until December 11, 2014. Given the decision rendered by the Supreme Court of Argentina in re "Municipality of Berazategui v. Cablevisión" mentioned below, the procedural periods remain suspended until the Federal Court of Mar del Plata renders a decision thereon.

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 the Company comply with Resolution No. 50/10 and the subsequent resolutions that extended its effectiveness. In some cases, preliminary injunctions were granted. In every case, the Company 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 of the Company, its branches and subsidiaries prior to the issuance of such preliminary injunctions.

On September 23, 2014, the Court rendered a decision in re "Municipalidad de Berazategui c/ Cablevisión" ordering 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 the Company and its subsidiaries, and the Company's consolidated financial statements should be read in light of such uncertainty.

j) On October 21, 2010, the National Administration of Domestic Trade served notice to the Company of (i) a fine of Ps. 5 million for failing to comply with the duty to inform (Section 4 of Law 24240) 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 22802. The Company appealed the fine because it believed it had strong arguments in its favor. The file was assigned No. 1,281 and submitted to Chamber No. 2 of the Federal Court of Appeals on 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 the Company. On October 13, 2011, the Company filed a federal ordinary appeal with the Supreme Court of Argentina and on October 20, 2011, it filed a federal extraordinary appeal with that same court in the event that the ordinary appeal may be dismissed.

On October 21, 2011, Chamber No. 2 of the Federal Court of Appeals on Administrative Matters granted the ordinary appeal and the legal brief was submitted in due time and form.

On August 7, 2012 the Supreme Court of Argentina decided that the Ordinary Appeal had been wrongly granted.

On December 13, 2012 the Chamber dismissed the appeal filed by the Company, which shall bear the costs incurred.

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

On July 29, 2013 the amount of the fine of Ps. 2,200.00 million was canceled and such compliance was recorded in the file.

k) On October 28, 2010, the Company 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 No. 906/98) when informing its subscribers of the increase in the price of their cable television subscriptions. On November 12, 2010, the Company appealed those fines because it believes it has strong grounds in its favor. However, it cannot assure that the outcome will be favorable to the Company. One of the files was assigned No. 1,280 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.

l) On January 13, 2012, the SECI issued Resolution No. 2/2012 granting the Company 24 hours to resume service to those subscribers who had duly paid their subscription fee in the amount established by the National Government. In its sixth section, the Resolution provides that if the company does not comply with its obligations thereunder, penalties may be imposed as provided by Law 20680.

On February 10, 2012, the Company received a fine of Ps. 1 million for alleged non-compliance with such Resolution. Such fine has been appealed but no decision has been rendered on the matter yet.

m) On May 31, 2012, the Company was served notice of Resolution No. 16819, dated May 23, 2012 whereby the CNV ordered the initiation of summary proceedings against the Company 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 the Company 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. c/ Cablevisión S.A. s/amparo", in addition to the fact that other self-regulated authorities were allegedly not notified of the information furnished by the Company. On June 25, 2012, the Company 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. The Company 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.

n) On March 16, 2012, CNV issued Resolution No. 16765 whereby it ordered the initiation of summary proceedings against the Company, its directors and members of the Supervisory Committee for an alleged failure to comply with the duty to inform. The CNV considers that the Company allegedly 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 "Recurso de Hecho deducido por el Estado Nacional Ministerio de Economía y Producción en la causa Multicanal S.A. y otro c/ CONADECO Dto. 527-05" and others, and allegedly failed to disclose a series of issues relating to the information required by the CNV regarding the Extraordinary Meeting of Class 1 and 2 Noteholders held on April 23, 2010. On April 4, 2012, the 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. The Company and its legal advisors believe that the Company has strong arguments in its favor. Nevertheless, the Company cannot assure that the outcome of the summary proceedings will be favorably.

o) On November 27, 2012 the National Administration of Domestic Trade served the Company 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 Consumer Defense Law (increase in the subscription price of cable tv 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 the Company 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.

The Company and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, the Company cannot assure that the revocation of the fine will be resolved in its favor.

p) On April 9, 2013, the Company was served notice of AFIP Resolution No. 45/13 dated April 3, 2013, whereby such agency decided to impose the penalties in a summary proceeding against the Company with respect to compliance with General Resolution No. 3260/12. The Company filed an appeal, which has staying effects on the execution of those penalties.

q) On May 30, 2013, the Company was served notice of a claim in re "TELEVISORA PRIVADA DEL OESTE S.A. c/ GRUPO CLARÍN S.A. Y OTROS s/ ORDINARIO" 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 Grupo Clarín, 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, both on a factual and on a 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.

r) On July 5, 2013, the National Administration of Domestic Trade served notice to the Company of Resolution No. 134/2013, whereby it imposed a fine of Ps. 500,000 for breach of Section 2 of Resolution No. 789/98 issued by the former Secretariat of Industry, Trade and Mining, which regulates the Business Loyalty Law No. 22802. The Company 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, the Company filed an appeal with the Argentine Supreme Court. On September 18, 2014, the Company was served notice of the extraordinary appeal

filed by the National Government, and on October 2, 2014 it filed a response. On October 9, 2014, the Chamber dismissed both appeals.

On October 8, 2010, the National Administration of Domestic Trade served notice to the Company 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. 22802. The Company 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 1277/2011). On December 29, 2011, the Court of Appeals dismissed the appeal filed by the Company, and imposed court costs on the Company. On February 22, 2012, the Company filed an appeal with the Argentine Supreme Court. The appeal was dismissed by the Chamber on April 10, 2012. On April 26, 2012, the Company 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.
s) As a result of a suspicious transaction report issued by the AFIP relating to transactions carried out between the controlling Company and some subsidiaries, the Financial Information Unit ("UIF" for its spanish acronym) pressed criminal charges against the Company and officers in charge during the relevant fiscal year, for alleged money laundering in connection with intercompany movements between the Company and certain subsidiaries during fiscal period 2008. The claim is now pending before Federal Court No. 9, under Dr. Luis Rodriguez.

During the month of March 2014, the intervening prosecutor, Dr. Miguel Angel Osorio, broadened the request for evidence.

The Company and its legal advisors consider that there are strong arguments in the Company's favor, since the suspected movements were regular and had been duly recorded, 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 claim will be favorable.

t) On August 28, 2015, Cablevisión was served notice of Resolution No. 17769 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 (as restated in 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. The Company and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, the Company cannot assure that the outcome of said summary proceedings will be favorable to the Company. On January 20, 2016, the preliminary hearing was held pursuant to Section 138 of Law No. 26831 and Article 8, Subsection b.1. of Section II, Chapter II, Title III of the Regulations (as restated in 2013).

u) The Company, 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. 1387/01 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. 1387/01 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. 1387/01 (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 y otros c/ Estado Nacional – Decreto 746/03 – AFIP s/ Acción Declarativa", 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, mentioned above, the situation was also applicable to the sector encompassed by that association, therefore, the decision shall also apply to this association. Under those 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 No. 746/03 from the repeal of Section 52 of Decree No. 1387/01. 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 result of the foregoing, Cablevisión and its subsidiaries started to calculate employer's contributions as tax credit on VAT as from September 2015. The amount calculated by the Company was approximately Ps. 237 million.

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

On September 17, 2009, Judge Dr. Esteban Furnari of the National Court on Federal Administrative Matters No. 2, in re "Multicanal y Otro c/ Conadeco- Dto. 527/05 y otro s/ Proceso de Conocimiento", 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 Court of Appeals on Federal Administrative Matters, in re "Multicanal y Otro c/ Conadeco Dto. No. 527/05 y otro s/ Proceso de Conocimiento", file No. 14024/08, 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, the Company´s preliminary injunction regained full force and effect. Accordingly, on January 8, 2010, the Company notified such circumstance to the COMFER.

Subsequently, on March 9, 2011 the Supreme Court of Argentina in re "Multicanal y Otro c/ Conadeco - Dto. 527/05 y otro s/ Proceso de Conocimiento", granted the appeal by right and the Extraordinary Appeal filed by the National Government and revoked the decision rendered by Chamber No. 3 of the Court of Appeals on Federal Administrative Matters, which had confirmed the injunction requested by the Company in the first instance. Notwithstanding the foregoing, the Company believes that this matter does not have a material impact on the merits of the case.

Notwithstanding the required filings made by the Company 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, the Company notified the CNDC of the completion and corresponding verification of the fulfillment of the voluntary undertakings made by the Company at the time of the enactment of SCI Resolution No. 257/07. On December 15, 2009, the Federal Court of Appeals on Civil and Commercial Matters, Chamber No. 2, issued a preliminary injunction in re "Grupo Clarín S.A. c/ Secretaría de Comercio Interior y otros s/ medida cautelares" (case 10506/09), 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 the Company'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. 1011/09, whereby it deemed the Company's voluntary undertakings unfulfilled and declared the rescission of the authorization granted under Resolution 257/07 dated December 7, 2007.

On December 17, 2009, the Federal Court of Appeals on Commercial-Criminal Matters Chamber A, decided to suspend the term to appeal Resolution No. 1011/09 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 the Company of the initiation of the motion for execution of Resolution No. 1011/09. On December 18, 2009, Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters, issued an injunction in re "Grupo Clarín S.A. c/ Secretaría de Comercio Interior y otros s/ medidas cautelares", which suspended the effects of Resolution No. 1011/09 until the notice set forth in the preliminary injunction of December 15, 2009 was served. Accordingly, the CNDC served notice to the Company by means of Resolution No. 1101/09.
On December 30, 2009, Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters, issued a preliminary injunction in re "Grupo Clarín S.A. c/ Secretaría de Comercio Interior y otros s/ medidas cautelares", partially acknowledging Grupo Clarín's request and suspending the term for Grupo Clarín to respond to Resolution No. 1101/09 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. 1011/09 was based).

On February 19, 2010, the Company requested the nullification of the notice, and as a default argument, submitted the response requested under Resolution No. 1101/09. On February 26, 2010, the Federal Court of Appeals on Commercial-Criminal Matters approved the recusation filed by the Company and excluded the Secretary of Domestic Trade from the proceedings.

On March 3, 2010, the Argentine Ministry of Economy and Public Finance issued Resolution No. 113 (subscribed by the Minister of Economy, Dr. Amado Boudou) rejecting the request for the nullification of Resolution No. 1011/09, the requests for abstention and excusation of certain officials, and all the evidence produced in connection with such request for nullification. In addition, the undertakings made under Resolution No. 257/07 were deemed unfulfilled, thus declaring the rescission of the authorization granted under such resolution. The parties involved were ordered to take all necessary actions to comply with such rescission within a term of six months, and to inform the CNDC about the progress made in that respect on a monthly basis. Such resolution was appealed in due time and form. The appeal was granted without staying the execution of judgment.

The appeal is currently pending before Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters, in re "AMI CABLE HOLDING y otros s/ Apelación Resolución Comisión Nacional de Defensa de la Competencia", file number 2054/2010.

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

The National Government filed an appeal asking that the court of appeals revoke its own decision with respect to the effect granted to the April 20 decision and that it decline its jurisdiction. It also filed an extraordinary appeal. Both appeals were dismissed. Chamber No. 2 requested the administrative file to analyze the case.

On September 17, 2015, the Court rendered a decision in favor of the Company, 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.

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

29.2. Frequency reassignment in Uruguay

The Executive Branch of Uruguay issued Decree No. 73/012, published in the Official Gazzette on March 16, 2012, whereby it expressly repealed Decree No. 231/11, 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 on 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 rendered decisions No. 416/2014 and No. 446/2014 whereby it annulled Decrees No. 73/012 and No. 231/011, respectively, for formal reasons.

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) awarded 16 stations 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) ordered that use of existing stations cease within 18 months of their award to mobile service operators; 4) authorized both companies expressly to increase the number of TV signals (stations) included in their respective services making use of digitization techniques; 5) ordered both companies 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) provided that 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), it should be noted that 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).

NOTE 30 - TAXES PAYABLE

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Non-Current			
National taxes	10,123,846	2,197,151	3.623.383
	10,123,846	**2,197,151**	**3.623.383**
Current			
National taxes	769,484,561	631,528,957	197.197.000
Provincial taxes	24,727,433	15,268,391	4.793.776
Municipal taxes	28,535,960	31,004,276	26.011.278
	822,747,954	**677,801,624**	**228.002.054**

NOTE 31 - OTHER PAYABLES

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Non-current			
Revenues to accrue	110,990,675	105,947,118	90,639,758
Other	800	800	162,140
	110,991,475	**105,947,918**	**90,801,898**
Current			
Dividends payable – Related parties (Note 33)	1,688,242	1,547,100	1,415,965
Fees to directors and syndics	11,708,261	749,366	368,311
Revenues to accrue	145,795,434	111,799,818	83,459,508
Financial instruments	-	4,718,000	-
Other	1,262,569	2,478,236	5,541,425
	160,454,506	**121,292,520**	**90,785,209**

NOTE 32 - ACCOUNTS PAYABLE AND OTHERS

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Current			
Suppliers	968,586,248	519,602,649	442,745,970
Commercial accruals	707,428,082	353,802,448	361,679,107
Related parties (Note 33)	129,957,127	90,495,709	105,717,323
Social accruals	944,462,049	640,675,306	454,480,329
	2,750,433,506	**1,604,576,112**	**1,364,622,729**

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 as from January 2008. Executives who adhere to such plan will 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. Furthermore, each company where such executives render services will match the sum contributed by such executives, to which, only under certain conditions, the employees may access such funds upon retirement of the plan.

Additionally, the above mentioned plan provides for certain special conditions for managers who were on the "executive payroll" before January 1, 2007. Such conditions consist of supplementary contributions made by each company to the plan related to the executive's years of service with the Company. At December 31, 2015, the total amount related to such supplementary contributions was of approximately Ps. 13.0 million and the charge to income will be 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 19, the aforesaid savings plan qualifies as a Defined Contribution Plan, which means that the companies' contributions shall be charged to net income on a monthly basis as from the date the plan becomes effective.

NOTE 33 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The compensation paid to the Board of Directors and Senior Management of the Company for fiscal years ended December 31, 2015, 2014 and 2013 was of Ps. 183 million, 40 million and Ps. 33 million respectively.

The fees paid to the Board of Directors for the year ended December 31, 2015 amounted to approximately Ps. 137.3 million, out of which as of year-end, Ps. 125.9 million have already been paid, and will be put to the consideration of the shareholders at the Shareholders' Meeting.

Below are the outstanding balances between the Company and related parties at December 31, 2015, 2014 and 2013:

	12.31.2015	12.31.2014	12.31.2013
Non-Current and Current Assets	**Ps.**		
Other receivables			
Controlling companies	176,541	494,458	532,447
Associates	18,742,145	16,667,866	20,476,453
Other related parties	88,048	81,390	79,675
Trade receivables			
Controlling companies	6,121	3,379	-
Other related parties	50,991,996	53,299,106	42,011,794
Investments			
Other related parties	697,057,242	585,321,308	358,283,220
Non-Current and Current liabilities			
Bank and financial debt			
Associates	(22,708,887)	(16,701,268)	(10,948,591)
Other payables			
Other shareholders	(1,688,242)	(1,547,100)	(1,415,965)
Accounts payable and others			
Controlling companies	(31)	(31)	(31)
Associates	(6,235,107)	(3,291,874)	(3,291,874)

Other related parties	(123,721,989)	(87,203,804)	(102,425,418)

The following table shows the transactions between the Company and related companies at December 31, 2015, 2014 and 2013:

Company	Concept	12.31.2015	12.31.2014	12.31.2013
			Ps.	
Controlling companies or companies that exercise significant influence	Technical assistance services	(77,120,000)	(40,800,000)	(31,200,000)
	Other sales	754,876	651,211	451,907
	Loans received	(117,882,661)	-	-
	Interest on debt	(1,980,648)	-	-
	Other payables	(436,000,000)	(394,000,000)	(250,000,000)

Company	Concept	12.31.2015	12.31.2014	12.31.2013
Associates	Sales of services	8,892,123	6,184,132	6,082,082
	Other sales	16,032,875	8,164,395	6,392,436
	Loans granted	-	-	750,000
	Interest on receivables	-	-	180,006
	Loans received	(18,943,376)	(16,203,809)	(6,509,593)
	Interest on debt	(2,242,601)	(1,355,276)	(1,467,987)
	Other purchases	(10,396,346)	(3,176,375)	(3,088,264)
	Other receivables (1)	44,103,387	44,327,039	80,732,307

Company	Concept	12.31.2015	12.31.2014	12.31.2013
Other related parties	Sales of advertising	15,000	170,600	892,188
	Other sales	40,392,841	27,389,252	19,143,577
	Other placements	-	67,824,176	-
	Interest on other placements	50,043,739	47,043,600	36,966,637
	Programming costs	(522,887,428)	(389,197,708)	(275,626,710)
	Publishing and distribution of magazines	(155,086,739)	(133,072,712)	(108,769,065)
	Consultancy services	(98,488,484)	(69,537,038)	(54,496,476)
	Purchase of advertising	(51,867,883)	(39,229,387)	(39,996,318)
	Other purchases	(10,113,045)	(5,732,141)	(5,267,176)

(1) Includes the items detailed in Note 23.2.

During year ended December 31, 2015, there were no transactions with related parties outside the ordinary course of business, or significant changes in balances, except for those detailed in Note 23.

Agreements with shareholders

On June 28, 2008, Cablevisión and Grupo Clarín executed a supplementary agreement to the technical assistance agreement, effective as of September 26, 2006, whereby they amended the volume of the services rendered by Grupo Clarín and the mechanism used to determine that company's annual fee.

On January 5, 2016 and January 5, 2015 and January 3, 2014 respectively, the agreements were amended, setting Grupo Clarín's annual fees.

NOTE 34 – JOINT VENTURES – Prima AND UTE Ertach - Prima

The following amounts are included in the Company's financial statements as a result of the joint participation in the UTE Ertach – Prima:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Dividends received	-	-	-
Summarized financial information:			
Assets			
Non-Current Assets	8,173,162	14,379,672	6,849,979
Other current assets	108,081,551	110,891,237	109,581,681
Cash and cash equivalents	30,539,028	1,124,122	3,447,836
Current assets	138,620,579	112,015,359	113,029,517
Liabilities			
Non-current loans	6,056,756	4,059,389	-
Other non-current liabilities	-	-	2,794,088
Non-Current Liabilities	6,056,756	4,059,389	2,794,088
Current loans	73,259,048	58,606,741	-
Other current liabilities	-	-	53,101,234
Current Liabilities	73,259,048	58,606,741	53,101,234
Income	107,010,817	85,685,384	83,504,436
Depreciation and amortization	(11,377,049)	(1,679,798)	(1,337,464)
Interest expense	(1,499)	(1,933,716)	(753,120)
Income from continuing operations	7,330,010	(255,273)	8,651,191
Total comprehensive income	7,330,010	(255,273)	8,651,191

During April 2005, the Board of Directors of Prima approved the formation of a joint venture with Ertach S.A. in order to prepare an offer for the public bid launched by the Provincial Direction of Information Technology and Communications, under the jurisdiction of the General Secretary of the Government of the Province of Buenos Aires.

The purpose of the UTE Ertach – Prima is to provide data transmission services and order channels necessary to integrate the agencies of the provincial public administration and the municipalities into a single provincial data communications network.

In connection with the aforesaid, in June 2005 both companies executed a joint venture agreement, whereby the parties agreed that each partner's participation in results, expenses and revenues would be 50%.

On August 8, 2005, the Government of the Province of Buenos Aires issued Decree No. 1761, whereby it approved the public bidding process and awarded the above-mentioned service to the UTE Ertach – Prima for a term of four years, with the possibility of extending such term. On October 13, 2009, the Government of the Province of Buenos Aires (Bidder) issued Decree No. 2106/09, whereby it granted a 1-year extension, maintaining the effectiveness of the Agreement until December 31, 2011. The bidding terms also provide for a contractual period of up to 18 months, upon termination of the agreement, for the migration of the services, called the "uninstallation period", during which the terms and conditions of the service shall remain in effect. In addition, the bidding terms provide that the UTE Ertach – Prima is obliged to continue rendering all services as may be required by and for the term that the Province may set until a new Awardee has concluded the "Initial Service Phase" or its equivalent under its new agreement or until the Province, deems the contractual relationship terminated with a two-month prior notice.

On October 17, 2011, the Provincial Direction of Communications, under the jurisdiction of the General Secretary of the Government of the Province of Buenos Aires, informed the continuation of the service for the period between January 1, 2012 and June 30, 2012 and the extension thereof for the period between July 1, 2012 and November 30, 2013. Additionally, on December 27, 2012 the Provincial Direction of Communications, under the jurisdiction of the General Secretary of the Government of the Province of Buenos Aires, informed the extension of the Single Provincial Data Network through April 30, 2015 pursuant to Decree 1613/2012.

On January 22, 2015, the Company was notified in the corresponding administrative file that on January 15, 2015, the Under Secretariat of Administrative Coordination submitted the report issued by the Provincial Prosecutor's Office to the Provincial Communications Administration, in order to continue with the proceedures to request an extension of the "Termination of the Single Provincial Data Network Services Phase" for the period ranging from May 1, 2015 to October 30, 2017 from the Government of the Province of Buenos Aires.

In view of the above-mentioned precedents and taking into consideration the experience of the legal advisors of the UTE in connection with public services of this size, the UTE's Management believes that it is likely to continue to render its services until October 30, 2017 under the “Termination of Services Phase”.

NOTE 35 - DERIVATIVE FINANCIAL INSTRUMENTS

	12.31.2015		12.31.2014		12.31.2013	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
			Ps.			
Forward contracts to purchase foreign currency						
- fair value hedges	11,628,000	-	-	4,718,000	-	-
Total	11,628,000	-	-	4,718,000	-	-
Less non-current part						
Forward contracts to purchase foreign currency						
- fair value hedges	-	-	-	-	-	-
Total	-	-	-	-	-	-
Current part	11,628,000	-	-	4,718,000	-	-

There are no inefficiencies derived from fair value hedges that should be recognized.

NOTE 36 - FINANCIAL RISK MANAGEMENT

The Company and its controlled companies engage in transactions involving financial instruments registered in equity accounts, which are used to cover their needs, and which entail exposure to market, currency and interest rate risks. Management of such risks is centralized on the Company’s Executive Committee.

36.1. Financial risk factors

a) Capital risk

The Company manages its capital structure so as to have sufficient liquidity to continue investing in the updating of its networks, in order to increase revenues and operating cash flows, and to comply with all commitments assumed under its notes. The Company seeks to maintain an adequate level of net debt vis-à-vis its adjusted EBITDA. The net debt to adjusted EBITDA ratio, which is the quotient between net debt (loans set off by the balances of “Cash and banks” and “Current investments”, cash equivalents - See Note 2.23) and adjusted EBITDA, was 0.61, 0.59 and 0.89 as of December 31, 2015, 2014 and 2013 respectively. Pursuant to commitments undertaken by the Company, the ratio must not exceed 2.25.

b) Foreign exchange risk

The Company makes transactions in foreign currency and, therefore, it is exposed to fluctuations in the exchange rate. A portion of the Company's financial debt is denominated in U.S. dollars, whereas its revenues are generated in the currency of the country in which it operates.

Therefore, the Company has executed forward foreign exchange purchases.

Monetary assets and liabilities denominated in foreign currency (U.S. dollar) at the end of the reporting year are as follows:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
ASSETS			
Other receivables	64,675,714	62,629,412	66.818.732
Trade receivables	519,714,898	492,492,588	387.159.914
Investments	697,057,242	824,594,926	358.283.218
Cash and banks	1,414,140,503	739,681,266	596.043.054
Total assets	**2,695,588,357**	**2,119,398,192**	**1.408.304.918**
LIABILITIES			
Bank and financial debt	6,091,496,173	3,845,362,434	3.519.615.115
Provisions and other charges	110,099	98,829	1.304.000
Other payables	61,380,751	37,243,699	29.451.002
Accounts payable and others	237,791,939	82,118,448	45.724.448
Total liabilities	**6,390,778,962**	3,964,823,410	**3.596.094.565**

Considering the balances as of December 31, 2015, 2014 and 2013 of financial assets and liabilities exposed to exchange rate fluctuations, Cablevisión estimates that an impact of a 20% favorable/unfavorable, fluctuation in the U.S. dollar would generate income/loss before taxes of Ps. 739.0 million, 369.1 million and Ps. 437.6 million in 2015, 2014 and 2013, respectively. On the other hand, upon a 20% favorable/unfavorable fluctuation in the U.S. dollar exchange rate, the result of foreign currency derivative contracts would generate an income/loss before taxes of Ps.77.3 million and Ps. 21.1 million in 2015 and 2014, respectively.

c) Fair value interest rate risk

Cablevisión is exposed to interest rate risk because it has borrowed money at fixed and variable interest rates. No hedge agreements have been executed to mitigate the risk of interest rate fluctuation (See interest rates on loans in Note 25).

The Company estimates that if interest rates had been 100 points higher and all other variables had remained constant, the additional loss before taxes would have been of Ps. 5.8 million, 2.4 million and Ps. 3.7 million in 2015, 2014 and 2013 respectively.

d) Price risk

The Company is exposed to the risk of fluctuation in the market price of mutual funds, notes, bonds and foreign currency derivatives.

The Company's sensitivity to variations in the market price of these instruments is detailed below:

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Investments valued at quoted prices at closing (1)	890,262,986	1,030,494,360	86,923,703

Other receivables valued at quoted prices at closing	11,628,000	-	-
Other liabilities valued at quoted prices at closing	-	4,718,000	-

(1) Consists primarily of mutual funds Ps. 734,764,736, Ps. 657,527,808 and 68,966,205 at December 31, 2015, 2014 and 2013 respectively and securities and bonds Ps. 155.498.250, Ps. 372.966.552 and Ps. 17,957,498 at December 31, 2015, 2014 and 2013, respectively

Cablevisión estimates that the impact of a 10% favorable/unfavorable fluctuation of the quoted price of mutual funds, with all other variables remaining constant, would have generated an income/loss before taxes of Ps. 89.0 million, Ps. 103.0 million and Ps. 8.7 million in 2015, 2014 and 2013, respectively. While income from foreign exchange agreements in case of a 20% favorable/unfavorable fluctuation in the U.S. dollar exchange rate would generate income/loss before taxes of Ps. 77.3 million and Ps. 21.1 million in 2015 and 2014, respectively.

e) Credit risk

Credit risk affects cash and cash equivalents, deposits held at banks and financial institutions, as well as credit exposure with customers, including other remaining credits and committed transactions. The Company actively monitors the creditworthiness of its treasury instruments and the counterparties related to derivatives in order to minimize credit risk. In addition, if invoices are not paid when due, several actions are initiated to provide for the collection thereof.

Bank deposits are held in first tier banks.

No significant credit risk concentration is observed concerning customers due to the atomization of the subscriber base.

As of December 31, 2015, 2014 and 2013, non-impaired past due trade receivables amounted to Ps. 401.4 million, Ps. 398.5 million and Ps. 238.6 respectively. They are predominantly credits of Cablevision and the time lapsed since their maturity is in most cases up to 3 months. These receivables involve customers with no recent insolvency record.

As of the same dates, the allowances for bad debts were of Ps. 195.7 million, Ps. 119.7 million and Ps. 92.6 million respectively. This allowance for trade receivables is sufficient to cover all past due bad debts.

f) Liquidity risk

The liquidity risk is the risk that the Company may not be able to fulfill its financial obligations when due. Cablevisión manages liquidity risk through the management of its capital structure and, if possible, access to different capital markets. It also manages liquidity risk through a constant review of estimated cash flows to ensure that it will have enough liquidity to fulfill its obligations.

The table below includes a breakdown of financial liabilities by relevant maturity groups based on the liabilities' remaining terms. Figures are expressed in millions of pesos and represent undiscounted cash flows (principal plus contractual interest).

Maturities	Other liabilities	Financial debt	Total 12.31.2015
Past due	586	-	586
With no term	178	-	178
First quarter 2016	1,661	730	2,391

Second quarter 2016	117	372	489
Third quarter 2016	343	1,043	1,386
Fourth quarter 2016	4	1,158	1,162
January 2017 onwards	10	4,246	4,256
	2,899	**7,549**	**10,448**

Maturities	Other liabilities	Financial debt	Total 12.31.2014
Past due	248	-	248
With no term	92	-	92
First quarter 2015	1,057	424	1,481
Second quarter 2015	51	503	554
Third quarter 2015	350	575	925
Fourth quarter 2015	4	51	55
January 2016 onwards	2	3,107	3,109
	1,804	**4,660**	**6,464**

Maturities	Other liabilities	Financial debt	Total 12.31.2013
Past due	293	-	293
With no term	151	-	151
First quarter 2014	778	546	1,324
Second quarter 2014	25	222	247
Third quarter 2014	4	438	442
Fourth quarter 2014	3	47	50
January 2015 onwards	4	3,066	3,070
	1,258	**4,319**	**5,577**

36.2. Financial instruments by category

	12.31.2015	12.31.2014	12.31.2013
		Ps.	
Financial assets			
Loans and receivables			
Credits and receivables (1) (2)	1,720,475,035	1,398,672,655	1,176,130,842
Cash and banks	1,765,860,661	940,114,763	962,587,614
Investments (3)	717,346,545	599,999,137	373,727,773

At fair value through profit or loss			
Current investments	890,262,986	1,030,494,360	86,923,703
Financial instruments	11,628,000	-	-
	5,105,573,227	**3,969,280,915**	**2,599,369,932**
Financial liabilities			
Amortized cost			
Loans	6,621,169,498	4,106,971,963	3,555,208,643
Accounts payable and other liabilities (4)	2,898,900,162	1,799,721,998	1,257,923,333
At fair value through profit or loss			
Financial instruments	-	4,718,000	-
	9,520,069,660	**5,911,411,961**	**4,813,131,976**

(1) Net of Ps. 195,726,226, Ps. 119,651,413 and Ps. 93,070,641 of provision for doubtful trade receivables, at December 31, 2015, 2014 and 2013, respectively.
(2) Includes Ps. 70,004,851, Ps. 70,546,199 and Ps. 63,100,369 of credits with related parties, at December 31, 2015, 2014 and 2013, respectively.
(3) Includes Ps. 697,057,242, Ps. 585,321,308 and Ps. 358,283,220 of investments to related parties at December 31, 2015, 2014 and 2013, respectively
(4) Includes Ps. 129,957,127, Ps. 90,495,709 and Ps. 105,717,323 of debt with related parties, at December 31, 2015, 2014 and 2013, respectively.

36.3. Financial instruments at fair value

The following table shows the Company's financial assets and liabilities valued at fair value as of the end of each year:

	12.31.2015	**Trading prices (Level 1)**	**Other significant observable items (Level 2)**
		Ps.	
Assets			
Current investments	890,262,986	890,262,986	-
Derivative financial instruments	11,628,000		11,628,000

	12.31.2014	**Trading prices (Level 1)**	**Other significant observable items (Level 2)**
		Ps.	
Assets			
Current investments	1,030,494,360	1,030,494,360	-
Liabilities			
Derivative financial instruments	4,718,000	-	4,718,000

	12.31.2013	Trading prices (Level 1)	Other significant observable items (Level 2)
		Ps.	
Assets			
Current investments	86,923,703	86,923,703	-

Financial assets are valued using quoted prices for identical assets and liabilities (Level 1), and the prices of similar instruments obtained from the information sources available in the market (Level 2). As of December 31, 2015, 2014 and 2013, the Company did not have any asset or liability that had not been compared against observable market data to determine its fair value (Level 3).

36.4. 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. Non current financial credits were generated on a date close to the end of the year ended as of December 31, 2015, 2014 and 2013 and their amortized cost is similar to their fair value.

The fair value of non-current financial liabilities (level 2) is determined based on the future cash flows of the debt discounted at the market rate available to the Company for debt with similar terms (currency and remaining term), prevailing at the time of measurement.

The estimated fair value of non current financial liabilities is as follows (in thousands of pesos):

	12.31.2015		12.31.2014		12.31.2013	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Bank and financial debt - non-current	3,866,187	3,804,276	2,818,772	2,610,181	2,600,117	2,407,815

NOTE 37 – SUBSIDIARY OPERATIONS

37.1. Award under the public bidding process conducted by the government of the Autonomous 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, and replacement in the event of theft or damage and new license, both with certain limitations. The bid was awarded to Prima for a five-year term, which will begin after certain requirements had been meet. As consideration, Prima would receive an amount per student, teacher and school. As of December 31, 2011 the initial requirements for the agreement to come into effect and for Prima to start billing thereunder had been met.

NOTE 38 – CAPITAL MARKETS LAW No. 26831

On December 28, 2012, Capital Markets Law No. 26,831 (the "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. 17811. The Law enhances, among other things, the National Government's oversight powers. It also 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 (the "Decree") to regulate partially the Capital Markets Law that had been passed in November 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 separate the boards from such entities for up to one hundred eighty 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 with the CNV the power to appoint an overseer or to separate the board of directors from the entity, the Decree allows the CNV to exercise that power if the shareholders and/or noteholders with a two per cent (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 with the CNV the power to appoint the administrators or co-administrators that will hold office due to the separation 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 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 the CNV's powers over the companies under this agency´s oversight, and also in connection with the information that these companies must disclose.

NOTE 39 – SUBSEQUENT EVENTS

a) Note 22 describes the main events that took place after December 31, 2015 in connection with the decisions of the shareholders at the General Extraordinary Shareholders' Meeting held on January 12, 2016.

b) Note 28.4.1 describes the main events that took place after December 31, 2015 in connection with the development of the issues related to the process required to conform to the provisions of Law No. 26522.

c) Note 28.4.2 describes the main events that took place after December 31, 2015 in connection with the development of the issues related to COMFER Resolution No. 577/2009.

d) Note 28.4.4 describes the main events that took place after December 31, 2015 in connection with the development of the issues related to other acts carried out by AFSCA.

e) Note 28.4.6 describes the main events that took place after December 31, 2015 in connection with the development of the issues related to SECOM Resolution No. 100/2010.

f) Note 28.4.7 describes the main events that took place after December 31, 2015 in connection with the development of the issues related to the acquisition of Nextel.

g) Note 29 t) describes the main events that took place after December 31, 2015 in connection with the development of the issues related to CNV Resolution No. 17769.

NOTE 40 – APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors and their issue has been authorized for March 8, 2016.

Report on review of interim financial information

To the Shareholders, President and Directors of
Cablevisión S.A.
Gral. Hornos 690
Autonomous City of Buenos Aires

Introduction

We have reviewed the accompanying consolidated condensed interim financial statrements of Cablevisión S.A. and its subsidiaries (the 'group') as at 31 March 2016 and 2015 and the related consolidated condensed interim statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

Emphasis of matter

We draw attention to the information contained in Notes 4 a), 4 b), 20.1.a) and 20.1.b) to the consolidated condensed interim financial statements, which describe (i) the resolutions issued by various governmental authorities and regulators with respect to the acquisitions of the Company and other legal entities, which later resulted in the merger of the Company with Multicanal S.A. and other companies; and (ii) the resolution No. 50 issued by the *Secretaría de Comercio* including the formula to calculate the monthly fees to be paid by cable television subscribers, which effects are uncertain as of the date of this report. Our conclusion is not qualified in respect to these matters.

PRICE WATERHOUSE & CO. S.R.L.

Gustavo Ariel Vidan (Partner)
Autonomous City of Buenos Aires, May 10, 2016

Cablevisión S.A.

Consolidated Condensed Interim Financial Statements
as of March 31, 2016 and for the three-month period beginning January 1, 2016
and ended on March 31, 2016 presented on a comparative basis

Cablevisión S.A.

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Consolidated Condensed Interim Financial Statements

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Cablevisión S.A.

Legal Address:	Gral. Hornos 690 – Autonomous City of Buenos Aires, Republic of Argentina
Main Company's business:	Cable television networks operator – Communal antenna – Telecommunication services – Investments in companies

Consolidated Condensed Interim Financial Statements
as of March 31, 2016 and for the period started January 1, 2016 and ended March 31, 2016 presented on a comparative basis

REGISTRATION DATE IN THE SUPERINTENDENCY OF CORPORATIONS:

Bylaws:	August 29, 1979
Latest amendment of Bylaws:	June 29, 2006
Registration number in the Superintendency of Corporations:	172,061
Bylaws expiration date:	August 29, 2078
Information about the parent company:	
Denomination:	Grupo Clarín S.A.
Legal address:	Piedras 1,743 - Autonomous City of Buenos Aires, Republic of Argentina

CAPITAL STRUCTURE (*)			
	Subscribed and paid-in		
	03.31.2016	**12.31.2015 (*)**	**03.31.2015 (*)**
	Ps.		
Common book-entry Class "A" shares, with a nominal value of Ps. 1, and entitled to one vote per share	157,862,000	157,862,000	157,862,000
Common book-entry Class "B" shares, with a nominal value of Ps. 1, and entitled to one vote per share.	39,535,110	39,742,267	39,742,267
	197,397,110	197,604,267	197,604,267

(*) Including treasury shares.

Cablevisión S.A.

Consolidated Statement of Comprehensive Income
For the three-month period ended
March 31, 2016 and 2015, respectively
(In Pesos)

	Notes	Unaudited 03.31.2016	Unaudited 03.31.2015
Continuing operations			
Revenues	**6**	7,068,486,490	4,559,101,678
Cost of sales (1)	**7**	(3,091,460,336)	(2,008,913,446)
Gross income		3,977,026,154	2,550,188,232
Selling expenses (1)	**8**	(972,297,209)	(523,461,695)
Administrative expenses (1)	**8**	(757,038,397)	(490,221,469)
Other income and expenses, net		1,007,747	863,978
Result for acquisition of companies		114,093,096	-
Financial costs	**9**	(1,119,534,880)	(259,711,426)
Other financial income and expenses, net	**10**	466,341,417	(52,121,800)
Financial results		(653,193,463)	(311,833,226)
Equity in earnings from associates		36,902,691	21,083,852
Net income before income tax		1,746,500,619	1,246,619,672
Income tax		(544,183,621)	(407,941,857)
Net income for the period		**1,202,316,998**	**838,677,815**
Other comprehensive income			
Items that can be reclassified to earnings			
Variation in translation differences of foreign operations		41,663,578	(199,544,483)
Total comprehensive income for the period		**1,243,980,576**	**639,133,332**
Results of operations attributable to:			
Equity holders of the Company		1,190,752,330	834,620,593
Non-controlling interests		11,564,668	4,057,222
Total comprehensive results attributable to:			
Equity holders of the Company		1,247,505,110	682,564,888
Non-controlling interests		(3,524,534)	(43,431,556)

(1) Includes amortization of intangible assets and depreciation of property, plant and equipment of Ps. 530,366,699 and Ps. 344,795,665 at March 31, 2016 and 2015, respectively.

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

Cablevisión S.A.

Consolidated Statement of Financial Position

As of March 31, 2016, December 31, 2015 and March 31, 2015

(In Pesos)

	Notes	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
			Ps.	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	**11**	10,183,074,716	8,450,192,402	6,068,934,245
Intangible assets	**12**	96,123,744	66,119,113	85,517,651
Goodwill		3,125,951,006	3,143,248,654	3,115,839,958
Investments in associates	**14**	187,956,155	1,370,204,458	118,432,245
Investments	**13**	803,934,408	697,057,242	617,952,242
Deferred tax asset		266,757,353	74,256,927	66,328,081
Other receivables	**15**	202,877,048	1,271,286,271	132,801,746
Trade receivables	**16**	-	-	41,614,421
Total non-current assets		**14,866,674,430**	**15,072,365,067**	**10,247,420,589**
CURRENT ASSETS				
Inventories	**17**	237,767,870	4,853,955	4,371,358
Other receivables	**15**	869,162,846	490,719,774	651,631,999
Trade receivables	**16**	2,319,216,961	1,263,859,164	1,042,876,772
Investments	**13**	1,504,038,434	911,123,423	1,742,515,683
Cash and banks		3,107,097,505	1,765,860,661	1,405,759,830
Total current assets		**8,037,283,616**	**4,436,416,977**	**4,847,155,642**
Total assets		**22,903,958,046**	**19,508,782,044**	**15,094,576,231**
SHAREHOLDERS' EQUITY (as per related statement)				
Attributable to equity holders of the Company				
Shareholders contributions		334,525,761	334,732,918	334,732,918
Reserves and accumulated results		9,343,274,852	8,095,562,585	6,567,669,423
Attributable to non-controlling interests		292,452,938	295,977,472	243,006,025
Total shareholders' equity		**9,970,253,551**	**8,726,272,975**	**7,145,408,366**
LIABILITIES				
NON-CURRENT LIABILITIES				
Bank and financial debt	**18**	3,087,599,188	3,866,186,846	3,893,542,769
Deferred tax liability		15,055,352	24,684,471	36,059,708
Provisions and other charges		690,806,153	281,903,813	205,994,105
Taxes payable	**21**	7,929,319	10,123,846	1,834,459
Other payables	**22**	108,348,347	110,991,475	104,186,214
Total non-current liabilities		**3,909,738,359**	**4,293,890,451**	**4,241,617,255**
CURRENT LIABILITIES				
Bank and financial debt	**18**	4,086,372,706	2,754,982,652	807,106,164
Taxes payable	**21**	1,276,879,196	822,747,954	1,091,822,957
Other payables	**22**	323,472,057	160,454,506	124,533,219
Accounts payable and others		3,337,242,177	2,750,433,506	1,684,088,270
Total current liabilities		**9,023,966,136**	**6,488,618,618**	**3,707,550,610**
Total liabilities		**12,933,704,495**	**10,782,509,069**	**7,949,167,865**
Total liabilities and shareholders' equity		**22,903,958,046**	**19,508,782,044**	**15,094,576,231**

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

Cablevisión S.A.

Consolidated Statement of Changes in Equity

As of March 31, 2016 and 2015

(In Pesos)

	EQUITY ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS									
	SHAREHOLDERS` CONTRIBUTIONS						ACCUMULATED RESULTS			
	Number of common shares Ps. 1 par value	Share capital	Treasury shares	Additional paid – in capital	Merger premium	Sub-total	Legal Reserve	Voluntary reserve (1)	Special reserve – Application of IFRS	Accumulated Results
Balances as of January 1, 2015	197,604,267	197,397,110	207,157	134,234,500	2,894,151	334,732,918	39,520,853	3,693,389,476	42,775,870	1,287,185,928
Net income for the period	-	-	-	-	-	-	-	-	-	834,620,593
Other comprehensive income:										
Change in currency translation of foreign operations	-	-	-	-	-	-	-	-	-	-
Sub-total comprehensive income for the period	-	-	-	-	-	-	-	-	-	834,620,593
Balances as of March 31, 2015 (Unaudited)	197,604,267	197,397,110	207,157	134,234,500	2,894,151	334,732,918	39,520,853	3,693,389,476	42,775,870	2,121,806,521
Balances as of January 1, 2016	197,604,267	197,397,110	207,157	134,234,500	2,894,151	334,732,918	39,520,853	4,544,575,404	42,775,870	2,473,366,772
Social capital reduction arranged by the Extraordinary General Assembly of January 12, 2016	(207,157)	-	(207,157)	-	-	(207,157)	-	207,157	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	1,190,752,330
Other comprehensive income:										
Change in currency translation of foreign operations	-	-	-	-	-	-	-	-	-	-
Sub-total comprehensive income for the period	-	-	-	-	-	-	-	-	-	1,190,752,330
Balances as of March 31, 2016 (Unaudited)	197,397,110	197,397,110	-	134,234,500	2,894,151	334,525,761	39,520,853	4,544,782,561	42,775,870	3,664,119,102

(1) As of March 31, 2016, includes Ps. 900 million of voluntary reserve for future distributions of dividends and Ps. 3,644.8 million of voluntary reserve to maintain the leve current level of solvency of the Company.

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

Cablevisión S.A.

Consolidated Statement of Cash Flows

As of March 31, 2016 and 2015

(In Pesos)

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
CASH FLOWS PROVIDED BY OPERATIONS		
Net income for the period	1,202,316,998	838,677,815
Accrued income tax	544,183,621	407,941,857
Adjustments to reconcile the net income for the period to net cash flows provided by operations:		
Equity in earnings from associates	(36,902,691)	(21,083,852)
Depreciation of property, plant and equipment	517,096,750	337,052,320
Amortization of intangible assets	13,269,949	7,743,345
Obsolescence of material	2,833,296	1,069
Allowances	105,731,317	59,771,266
Result for the sale of property, plant and equipment	(212,000)	-
Accrued interest, net	57,273,766	72,267,166
Financial results – sundry	454,641,688	64,070,714
Result for acquisition of associates	(114,093,095)	-
Changes in assets and liabilities		
Trade receivables	(735,158,200)	(40,721,446)
Other receivables	(320,853,900)	(369,809,469)
Inventories	(12,482,937)	2,651,753
Accounts payable and others	102,590,907	83,044,317
Taxes payable	(150,055,676)	15,146,456
Other payables and provisions	10,043,242	3,894,738
Change in currency translation of foreign operations	(37,475,368)	(79,576,850)
Collection of interest	156,883,265	50,346,257
Income tax paid	(154,675,108)	(34,840,561)
Net cash flows provided by operations	**1,604,955,824**	**1,396,576,895**
CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Net decrease of intangible assets and goodwill	-	657,460
Net changes of notes and bonds	(439,513,640)	27,700,871
Collection of dividends	-	974,325
Collection for the sale of property, plant and equipment	50,500	-
Net increase of property, plant and equipment	(1,621,787,217)	(610,823,659)
Net cash flows used in investment activities	**(2,061,250,357)**	**(581,491,003)**
CASH FLOWS USED IN FINANCING ACTIVITIES		
Settlement of dividends	-	(3,143)
Settlement of financial instruments	39,808,050	(5,120,500)
Increase of loans	179,000,318	781,225,387
Settlement of interests	(340,087,621)	(185,179,443)
Settlement of loan principal and issuing expenses	(300,981,450)	(252,891,522)
Net cash flows used in financing activities	**(422,260,703)**	**338,030,779**
Net (decrease) / increase in cash	(878,555,236)	1,153,116,671
Cash at the beginning of year	2,176,677,204	1,333,264,395
Effect of exchange rate changes on cash and cash equivalents	303,616,204	34,882,211
Cash and cash equivalents incorporated by acquisition of companies (See Note 4.c))	2,040,277,249	-
Cash at the end of period (1) (See Note 2.5)	**3,642,015,421**	**2,521,263,277**
(1) Includes:		
Cash and banks	3,107,097,505	1,405,759,830
Investments with a maturity not exceeding six months	534,917,916	1,115,503,447

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

NOTE 1 - GENERAL INFORMATION

Cablevisión S.A. ("Cablevisión" or the "Company") was organized on April 5, 1979, to engage in the business of installing, operating and developing supplementary broadcasting services.

The main business of the Company and certain of its subsidiaries consists in operating cable television networks in several locations in Argentina and Uruguay and in the provision of telecommunication services.

Cablevisión is the largest multiple system operator ("MSO") in Argentina and one of the largest in Latin America. A MSO is a company that owns multiple cable systems in different locations under the control and management of a single, common organization.

The Company provides pay television services pursuant to of licenses issued by the Federal Broadcasting Committee (Comité Federal de Radiodifusión or "COMFER", for its Spanish acronym) and telecommunication services pursuant to of licenses issued by the Secretary of Communications ("SECOM", for its Spanish acronym).

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

2.1. Basis of preparation

Through General Resolutions No. 562/09 and No. 576/10, the Comisión Nacional de Valores (Argentine Securities Commission or "CNV", for its Spanish acronym) provided for the application of Technical Resolutions ("TR") No. 26 and No. 29 issued by the Argentine Federation of Professional Councils of Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas or "FACPCE", for its Spanish acronym), which adopt the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") for entities subject to the public offering regime governed by Law No. 26831, whether on account of their equity or their notes, or which have requested authorization to be subject to such regime. The FACPCE issues Adoption Communications in order to implement IASB resolutions in Argentina.

These consolidated condensed interim financial statements of the Company for the three-month period ended March 31, 2016 presented on a comparative basis, have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Some additional matters were included as required by the Argentine General Associations Law and/or CNV regulations, including, the supplementary information set forth 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 condensed interim financial statements, as provided by IFRS and CNV standards. The consolidated condensed interim financial statements have been prepared in accordance with the accounting policies of the Company, which are consistent with those used in the preparation of the annual financial statements as of December 31, 2015. The accounting policies are based on the IFRS issued by the IASB and the interpretations issued by the Interpretations Committee of the International Financial Reporting Standards ("IFRIC").

These consolidated condensed interim financial statements should be read together with the annual financial statements of the Company as of December 31, 2015 prepared according to the IFRS.

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

The attached consolidated information, approved by the Company's Board of Directors in its meeting of May 10, 2016, is presented in pesos (Ps.), the currency of legal tender in Argentina and has been prepared on the basis of the accounting records of Cablevisión and its controlled companies.

Certain figures reported in the consolidated condensed interim financial statements for the period ended March 31, 2015 were reclassified for comparative purposes with this period.

2.2. Standards and Interpretations issued but not adopted to date

The Company has not adopted the IFRS or revisions of IFRS detailed below, since their application not required for period ended March 31, 2016:

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

- IFRS 15 "Revenue from ordinary activities under contracts with customers": Issued in May 2014 and applicable to years beginning on or after January 1, 2018. It specifies how and when revenue will be recognized, as well as the additional information to be disclosed by the Company in the financial statements.

The standard provides a single, principles-based five-step model to be applied to all contracts with customers.

- IFRS 16, "Leases": Issued in January 2016. It establishes principles for the recognition, measurement, presentation and disclosure of leases. This standard applies to years beginning on or after January 1, 2019.

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

2.3. Standards and Interpretations issued adopted to date

As of the date of these Consolidated Condensed Interim Financial Statements no new standards have been issued that apply to the Company in the current period.

2.4. Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of Cablevisión and the companies and joint ventures it controls as "joint operations". 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 it is evidenced by the voting rights, be it that the Company has the majority of voting rights or potential voting rights currently exercised.

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

The detail of the subsidiaries consolidated in these consolidated condensed interim financial statements and the interests in the capital stock and votes of those companies does not differ significantly from that reported in the last annual consolidated financial statements except for the consolidation of balances of Nextel (See Note 4 c)). Even though the Company took over control of Nextel on January 27, 2016, the balances and operations of that company have been consolidated as from January 1, 2016 for the purposes of preparing these financial statements. This situation does not have a significant impact on these consolidated financial statements.

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

2.5. Consolidated Statement of Cash Flows

For the purpose of preparing the statement of cash flows, "cash and cash equivalents" includes cash and bank balances, certain high liquidity short-term investments (with original maturity of less than 90 days), net of bank overdrafts payable on demand, if any, to the extent that they are an integral part of the Company's cash management.

Bank overdrafts are classified in line-item "Bank and financial debt" in the consolidated financial statement.

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

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
Cash and banks	3,107,097,505	1,405,759,830
Investments:		
Fixed-term deposit	237,064,574	28,147,233
Mutual funds (1)	297,853,342	1,087,356,214
Notes and bonds (2)	-	-
Cash and cash equivalents	**3,642,015,421**	**2,521,263,277**

(1) The mutual funds not considered as cash equivalents as of March 31, 2016 and 2015, amounted to Ps. 808,094,391 and Ps. 304,959,061, respectively.

(2) Notes and bonds not considered as cash equivalents as of March 31, 2016 and 2015, amounted to Ps. 161,026,127 and Ps. 322,053,175, respectively.

For the periods ended March 31, 2016 and 2015, the following transactions were carried out and did not have an impact on cash and cash equivalents:

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
Settlement of dividends receivable by way of setoff against Debt with Related Parties	-	12,000,000
Settlement of derivative financial instruments with guarantee deposits	-	1,100,400
	-	**13,100,400**

2.6. Foreign currency and functional currency

The individual 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 preparation of consolidated financial statements, the net income and financial position of each entity are expressed 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 currencies of Uruguayan and Paraguayan companies are the Uruguayan peso and the Guaraní, respectively.

In preparing the financial statements of individual entities, 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 period, monetary items denominated in foreign currency are retranslated at the exchange rates prevailing on such dates. Exchange differences are charged to net income as incurred.

In preparing the Company's consolidated financial statements, asset and liability balances of the entities with functional currencies other than the Argentine peso, expressed in their own functional currency (Uruguayan peso and Guaraní), are translated into pesos at the exchange rate prevailing at the end of the period, while net income is translated at the exchange rate prevailing on the transaction date. Exchange differences are recognized in other comprehensive income as "Variation in translation differences of foreign operations", which are presented under "Other Reserve" on the consolidated statement of changes in equity.

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies described in Note 2, the Company has to make judgments and prepare accounting estimates of the value of assets and liabilities that may not be obtained from other sources. The estimates and related assumptions are based on historical experience and other relevant factors. Actual results could differ from such estimates.

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

The estimates and assumptions used in the preparation of these consolidated condensed interim financial statements are consistent with those used in the preparation of the consolidated financial statements as of December 31, 2015, which are disclosed in Note 3 to such annual consolidated financial statements.

NOTE 4 - ACQUISITION OF COMPANIES AND COMPANY'S REORGANIZATION PROCESSES

a) On September 26, 2006, throuh a series of related transactions, Grupo Clarín S.A. ("Grupo Clarín") and Fintech Media LLC ("Fintech") reached participations in the capital stock of Cablevisión of approximately 60% and 40%, respectively. On the same date, Cablevisión purchased 100% of the capital stock of Teledigital Cable S.A. ("Teledigital"), a cable television provider that operated in several Argentine provinces and 98.5% of the common shares of Multicanal S.A. ("Multicanal"). Immediately prior to the acquisition of Multicanal by Cablevisión, Multicanal had acquired from Grupo Clarín 100% of the capital stock of Primera Red Interactiva de Medios (PRIMA) S.A. ("Prima"). Such acquisitions were subject to applicable administrative approvals.

By means of Resolution No. 257, the Secretaría de Comercio Interior ("Secretary of Domestic Trade" or "SCI", for its Spanish acronym), with a prior favorable opinion from the Comisión Nacional de Defensa de la Competencia (National Antitrust Commission or "CNDC", for its Spanish acronym) and after consulting the COMFER and the SECOM, which did not raise any objections – approved the above-mentioned transactions and notified the Company thereof on December 7, 2007. The aforesaid resolution has been appealed by five entities. As of the date of these financial statements, the CNDC has denied the five appeals. Four of the entities filed appeals by right before the judicial branch, but all of such appeals were dismissed.

The Company believes that if the CNDC acts as it did in the case of the four dismissed appeals by right, this appeal is unlikely to be admitted.

On June 11, 2008 Cablevisión was served with a decision of the Federal Commercial and Civil Court of Appeals 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 upheld the revocation only in respect of the events occurred before authorization of the transaction, and ordered to investigate if Cablevisión's and Multicanal's actions prior to the resolution of December 7, 2007 of the CNDC are subject to a fine. As of the date of these financial statements, the Company has presented the relevant defenses, under the aforementioned agency analysis.

b) On December 15, 2008, Cablevisión's shareholders approved the merger of Cablevisión with Multicanal, Delta Cable S.A. Holding Teledigital Cable S.A. Teledigital, Televisora La Plata Sociedad Anónima, Pampa TV S.A. Construred S.A. and Cablepost S.A., on account of which 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 final merger commitment was executed on February 12, 2009 and has been filed with the CNV pursuant to applicable regulations that require administrative approval. As of the date of these financial statements, such process had still to be approved by the CNV and registered with the Inspección General de Justicia ("Superintendency of Corporations" or "IGJ").

As a result of the merger, Cablevisión has increased its capital stock in the amount of Ps. 276,767, i.e. from Ps. 197,327,500 to Ps. 197,604,267, having delegated in the Company's Board of Directors the issue of 276,767 Class

B book-entry ordinary shares of Ps. 1 nominal value each and entitled to 1 vote per share, which will be delivered to Multicanal's minority shareholders in exchange for the shares they held in that company.

c) On September 10, 2015, the Board of Directors of the Company 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. (hereinafter, "Nextel") 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 the Company and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance of 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, the Company 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 the Company has not yet been registered with the Public Registry of Commerce. Under the terms of the offer, Nextel would continue to be controlled and operated by the Sellers until the option to acquire the remaining 51% of the capital stock had been exercised. Subsequently, on January 27, 2016, the Company 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, the Company 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 19.4.3).

As of March 31, 2016, the Company concluded the process of allocating the purchase price of 51% of the capital stock of Nextel and calculated a gain from this acquisition of Ps. 114.1 million disclosed under the item "Result for acquisition of companies" 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 first quarter of 2016, the Company's investment in Nextel generated a total gain of Ps. 104.8 million, mainly as a result of Nextel's operations.

Below is a detail of the additional information required by IFRS in connection with business combinations.

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

		At the date of acquisition
Cash		1,140.8
Investments		928.7
Trade receivables		386.9
Other receivables		101.2
Inventories		222.2
Non-current other receivables		21.3
Deferred tax asset		167.2
Property, plant and equipment		650.9
Intangible assets		43.3
Account payable and other		(484.2)
Taxes payable		(176.9)
Other payables		(144.2)
Provisions and other charges		(387.8)
Net identifiable assets acquired		2,469.4
Less: Investment as of december 31, 2015		(1,201.0)
Result for acquisition assets acquired		(114.1)
Total Consideration transfered	**(1)**	**1,154.3**

(1) This figure corresponds to credit derived from the prepayment of the call option of 51% of Nextel subscribed in September 2015 and exercised in January 2016.

NOTE 5 - SEGMENT INFORMATION

The Company is mainly engaged in the Cable Television and Internet Access sector, which requires the development of different activities distributed among the different legal entities in which the Company holds an equity interest. In addition, as from this quarter, and as a consequence of the acquisition of Nextel, the Company has incorporated the IDEN telephony business. 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:

a) Cable Television & Internet Access: mainly comprises its own operations and those carried out by its subsidiaries, notably PRIMA,
b) IDEN mobile telephony services rendered by its subsidiary Nextel.

The Company's Board of Directors, which is the main operating decisions maker, uses adjusted EBITDA to measure the performance of the identified operating segments. Adjusted EBITDA is defined as sales less the cost of sales and selling and administrative expenses (excluding depreciation and amortization). 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.

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

The following tables include the information as of March 31, 2016 and March 31, 2015, prepared on the basis of IFRS, for the business segments identified by the Company.

	Cable Television services and Internet access (1)	Telephony services IDEN	Eliminations / Adjustments (2)
Additional information consolidated at 03.31.2016 (Unaudited)			
Sales services to third parties	6,272,933,909	836,086,645	(40,534,064
Intersegment sales	114,489	3,390,002	(3,504,491
Total sales	6,273,048,398	839,476,647	(44,038,555
Cost of sales – excluding depreciation and amortization	(2,215,127,316)	(323,161,492)	(68,763,782
Expenses – excluding depreciation and amortization			
Selling expenses	(697,545,203)	(239,165,297)	
Administrative expenses	(609,812,499)	(136,853,654)	
Intersegment costs and expenses	(3,390,002)	(114,489)	3,504,49
Adjusted EBITDA	2,747,173,378	140,181,715	(109,297,846
Depreciation of property, plant and equipment			
Amortization of intangible assets			
Other income and expenses net			
Financial results			
Result for acquisition of companies			
Result of long-term investments in associates			
Income tax			
Net income for the period			
Total assets	19,037,755,818	3,866,340,040	(137,812
Additional information consolidated at 03.31.2016 (Unaudited)			
Payments for acquisition of property, plant and equipment	1,617,356,434	4,430,783	
Ordinary revenues of foreign subsidiaries	182,748,953	-	
Non-current assets except deferred tax and financial assets in foreign subsidiares	584,389,205	-	

(1) Source: internal information reviewed by the Board of Directors.
(2) Eliminations and adjustments correspond to transactions between the Company and its subsidiaries and differences in valuation criteria for the recognition of revenues from cable TV and Internet installation services transactions including separate items.

	Cable Television services and Internet access (1)	Telephony services IDEN	Eliminations / Adjustments (2)
Additional information consolidated at 03.31.2015 (Unaudited)			
Sales services to third parties	4,561,782,037	-	(2,680,359
Total sales	4,561,782,037	-	
Cost of sales – excluding depreciation and amortization	(1,640,571,820)	-	(48,605,672
Expenses – excluding depreciation and amortization			
Selling expenses	(505,720,699)	-	
Administrative expenses	(482,902,754)	-	
Adjusted EBITDA	1,932,586,764	-	(51,286,031
Depreciation of property, plant and equipment			
Amortization of intangible assets			
Other income and expenses net			
Financial results			
Result of long-term investments in associates			
Income tax			
Net income for the period			
Total assets	15,094,576,231	-	
Additional information consolidated at 03.31.2015 (Unaudited)			
Payments for acquisition of property, plant and equipment	610,823,659	-	
Payments for acquisition of intangible assets	164,479	-	
Ordinary revenues of foreign subsidiaries	718,406,183	-	
Non-current assets except deferred tax and financial assets in foreign subsidiares	616,696,192	-	

(1) Source: internal information reviewed by the Board of Directors.
(2) Eliminations and adjustments correspond to differences in valuation criteria for the recognition of revenues from cable TV and Internet installation services and transactions including separate items.

NOTE 6 - REVENUES

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
Cable television service	4,405,798,649	3,367,033,623
IDEN telephony services	763,269,380	-
Internet	1,616,063,979	1,026,843,738
Advertising	20,638,516	19,188,169
Others	262,715,966	146,036,148
Total	**7,068,486,490**	**4,559,101,678**

NOTE 7 - COST OF SALES

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
Inventories at the beginning of the year	4,921,974	5,984,228
Incorporation of acquired company balances	222,227,387	-
Net purchases of the period	71,788,298	(1,534,191)
Cost of services provided (Note 8)	3,032,154,975	2,008,834,767
Inventories at the end of the period	(239,632,298)	(4,371,358)
Total	**3,091,460,336**	**2,008,913,446**

NOTE 8 - COST OF SERVICES PROVIDED, SELLING EXPENSES AND ADMINISTRATIVE EXPENSES

Item	Cost of services provided	Selling expenses	Administrative expenses	Total 03.31.2016 Unaudited	Total 03.31.2015 Unaudited
			Ps.		
Payroll and social security charges and other personnel expenses (1)	732,741,686	207,345,918	168,417,124	1,108,504,728	840,830,979
Programming costs	897,026,323	-	-	897,026,323	663,066,197
Severance costs (compensations to the personnel)	12,879,312	14,756,870	16,061,264	43,697,446	16,451,058
Public utilities and tax rates	141,801,629	364,707,296	8,311,067	514,819,992	291,231,346
Representation expenses	537,354	13,288,506	1,850,337	15,676,197	8,528,599
Maintenance of property, plant and equipment and network expenses	371,620,811	32,189,652	101,418,492	505,228,955	215,423,959
Leases	94,615,141	11,087,144	16,306,487	122,008,772	54,587,731
Depreciation of property, plant and equipment	474,907,975	31,816,531	10,372,244	517,096,750	337,052,320
Fees for services	13,239,668	39,618,693	231,407,853	284,266,214	175,399,984
Fees to directors and syndics	-	-	2,277,951	2,277,951	1,699,458
Advertising and promotion	-	123,582,244	-	123,582,244	83,854,460
Office expenses	172,115	447,533	7,760,738	8,380,386	6,539,093
Production of magazine	50,462,213	442,675	6,614,246	57,519,134	38,124,167
Data transfer costs	162,072,841	-	647,035	162,719,876	57,133,251
Bad debts	-	86,062,584	-	86,062,584	53,500,767
Collection expenses and commissions	1,452,577	20,681,624	174,666,817	196,801,018	121,994,185
Obsolescence of material	2,833,296	-	-	2,833,296	1,069
Lawsuits and contingencies	11,388,000	8,280,733	-	19,668,733	6,270,499
Amortization of intangible assets	9,499,771	3,770,178	-	13,269,949	7,743,345
Miscellaneous	54,904,263	14,219,028	10,926,742	80,050,033	43,085,464
Total at 03.31.2016	**3,032,154,975**	**972,297,209**	**757,038,397**	**4,761,490,581**	
Total at 03.31.2015	**2,008,834,767**	**523,461,695**	**490,221,469**		**3,022,517,931**

(1) In accordance with the decision rendered by Chamber II of the Court of Appeals on Federal Administrative Matters, as from September 2015, the Company began calculating employer's contributions as tax credit on VAT. The amount calculated by the Company for the three-month period ended March 31, 2016 was approximately Ps.174.4 million. The National Government filed an appeal against that decision.

NOTE 9 - FINANCIAL COSTS

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
Interest	(190,810,018)	(129,632,910)
Exchange differences	(870,947,101)	(120,877,984)
Financial debt discounts	(31,205,265)	(4,992,164)
Other financial costs	(26,572,496)	(4,208,368)
Total	**(1,119,534,880)**	**(259,711,426)**

NOTE 10 - OTHER FINANCIAL INCOME AND EXPENSES, NET

	Unaudited 03.31.2016	Unaudited 03.31.2015
	Ps.	
Interest	133,536,252	57,365,744
Bank expenses	(3,242,222)	(2,150,122)
Taxes and expenses	(81,236,182)	(50,288,929)
Exchange differences on cash and cash equivalents	303,616,204	34,882,211
Exchange differences from the other items	67,403,713	43,421,134
Financial discounts on assets, debts and diverse	21,196,600	6,390,794
Results for operations with notes and bonds	(7,865,862)	(140,239,732)
Results for changes in fair value of financial instruments	35,340,050	(1,502,900)
Other	(2,407,136)	-
Total	**466,341,417**	**(52,121,800)**

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

The detail of residual values that compose the item at March 31, 2016 and December 31, 2015 is shown below:

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
	Ps.		
Buildings and land	334,606,794	147,341,656	143,471,829
Improvements to leased buildings	6,867,428	3,376,500	3,926,004
Installations, machinery and equipment	493,609,613	382,312,481	244,070,251
Furniture and fixtures	19,608,289	15,740,864	14,131,257
Vehicles	159,355,217	154,661,720	78,145,920
Tools	31,093,058	32,207,311	25,333,093
Cables, cable laying and assets under loan for use	5,008,385,760	4,857,919,623	3,884,625,337
Work in progress	1,529,539,601	1,263,469,923	610,471,232
Telecommunications	285,966,712	-	-
Material	2,336,654,591	1,615,863,948	1,081,980,764
	10,205,687,063	8,472,894,026	6,086,155,687
Allowance for obsolescence of material	(22,612,347)	(22,701,624)	(17,221,442)
Total	**10,183,074,716**	**8,450,192,402**	**6,068,934,245**

The evolution of this line-item between January 1, 2016 and March 31, 2016 and for the same period of the preceding year is shown below:

	2016	2015
	Ps.	
Balance as of January 1	8,450,192,402	5,852,111,830
Incorporation of acquired company balances	646,469,573	-
Additions	1,690,880,138	675,472,398
Decreases (original value)	(362,626,101)	(255,824,491)
Depreciation	(517,096,750)	(337,052,320)
Accumulated depreciation of decreases	292,496,291	190,135,800
Currency translation of foreign operations	(17,240,837)	(55,908,972)
Balance as of March 31	**10,183,074,716**	**6,068,934,245**

Of the additions of the 2016 and 2015 periods, 88% and 86% respectively, correspond to the items “Cables, cable laying and assets under loans for use” and “Material”.

Average useful life (in years) is detailed in Note 13 to the annual consolidated financial statements as of December 31, 2015, except for Nextel, whose assets were incorporated into the current quarter. The average useful lives are as follows:

	Average useful lives (in years)
Buildings and lands	31
Improvements to leased buildings	3 – 5
Installations, machinery and equipment	5
Furniture and fixtures	5 – 7
Vehicles	3
Telecommunications	3

NOTE 12 - INTANGIBLE ASSETS

The detail of residual values that compose the item at March 31, 2016 and December 31, 2015 is shown below:

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Trademarks	15,268,111	15,380,102	15,716,075
Software	39,209,168	46,784,342	69,466,370
Subscriber's portfolio purchase	1,764,268	3,528,536	-
Radio-Electric Trunking Services License	560,462	-	-
Links to the public network	38,953,953	-	-
Other	367,782	426,133	335,206
Total	**96,123,744**	**66,119,113**	**85,517,651**

The evolution of this line-item between January 1, 2016 and March 31, 2016 and for the same period of the preceding year is shown below:

	2016	2015
		Ps.
Balance as of January 1	66,119,113	93,924,728
Incorporation of acquired company balances	43,284,593	-
Decreases	-	(657,460)
Amortization	(13,269,949)	(7,743,345)
Currency translation of foreign operations	(10,013)	(6,272)
Balance as of March 31	**96,123,744**	**85,517,651**

The decreases of 2015 correspond to the item “Software”.

Average useful life (in years) is detailed in Note 14 to the annual consolidated financial statements as of December 31, 2015, except for Nextel, whose intangible assets were incorporated into the current quarter. The average useful lives are as follows:

	Average useful lives (in years)
Radio-Electric Trunking Services License	3
Links to the public network	3

NOTE 13 - INVESTMENTS

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Non-Current			
Other placements	803,934,408	697,057,242	617,952,242
Total	**803,934,408**	**697,057,242**	**617,952,242**
Current			
Mutual funds	1,105,947,733	734,764,736	1,392,315,275
Notes and bonds	161,026,127	156,069,384	322,053,175
Fixed-term deposit	237,064,574	20,289,303	28,147,233
Total	**1,504,038,434**	**911,123,423**	**1,742,515,683**

NOTE 14 - INVESTMENTS IN ASSOCIATES

Companies	Main activity	Country	% participation on capital and votes	Unaudited Valuation at 03.31.2016	Valuation at 12.31.2015	Unaudited Valuation at 03.31.2015
Tres Arroyos Televisora Color S.A.	Cable TV station	Argentina	49.99	2,067,706	1,835,217	1,763,018
Ver T.V. S.A. (1)	Cable TV station	Argentina	49.00	123,296,316	102,895,887	73,860,671
Teledifusora San Miguel Arcángel S.A. (1)	Cable TV station	Argentina	49.10	40,616,701	31,760,343	24,828,516
La Capital Cable S.A.	Closed circuit television	Argentina	49.00	9,311,461	20,523,128	6,707,125
Televisora Privada del Oeste S.A.	Closed circuit television	Argentina	47.00	5,592,798	5,592,798	5,592,798
AVC Continente Audiovisual S.A. (1)	Closed circuit television	Argentina	40.00	3,149,462	2,648,384	1,760,577
Nextel (2)	Telecommunication services	Argentina	-	-	1,201,022,798	-
Other				49,408	53,600	47,237
Goodwill				3,872,303	3,872,303	3,872,303
Total				**187,956,155**	**1,370,204,458**	**118,432,245**

(1) Data on the issuer arising from non-accounting information.
(2) From the first quarter of 2016, the company has proceeded to consolidate the investment in Nextel (See note 4.c)).

NOTE 15 - OTHER RECEIVABLES

	Unaudited 3.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Non-Current			
National tax credits	4,861,981	4,180,605	2,425,381
Advances to suppliers	134,257,985	109,643,206	53,871,089
Prepaid expenses	42,008,798	38,080,166	60,810,937
Other debtors	16,346,846	14,139,007	12,448,654
Call option – Nextel (Notes 4.c) and 19.4.3.)	-	1,103,673,966	-
Other	5,401,438	1,569,321	3,245,685
Total	**202,877,048**	**1,271,286,271**	**132,801,746**
Current			
National tax credits	56,374,494	45,804,889	93,958,837
Provincial tax credits	2,529,232	3,386,929	19,252,766
Prepaid expenses	367,627,894	152,501,150	399,031,132
Judicial deposits	15,706,535	8,180,553	5,409,687
Related parties	18,929,138	19,006,734	16,456,416
Advances to suppliers	249,892,862	85,589,912	57,325,278
Dividends receivable	18,127,355	-	-
Financial instruments	7,160,000	11,628,000	-
Other debtors	36,330,030	30,587,812	20,283,247
Advances to employees	5,491,110	5,458,718	5,540,805
Deposits in guarantee	38,861,757	40,824,176	7,669,134
Other	52,132,439	87,750,901	26,704,697
Total	**869,162,846**	**490,719,774**	**651,631,999**

NOTE 16 – TRADE RECEIVABLES

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Non-Current			
Ordinary	-	-	41,614,421
Total	-	**-**	**41,614,421**
Current			
Ordinary	2,587,462,055	1,406,044,189	1,124,379,938
Related parties	54,310,750	50,998,117	42,023,985
Other	2,823,345	2,543,084	5,075,677
Allowance for bad debts	(325,379,189)	(195,726,226)	(128,602,828)
Total	**2,319,216,961**	**1,263,859,164**	**1,042,876,772**

NOTE 17 – INVENTORIES

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Current			
Resale goods	12,742,531	3,669,046	4,070,270
Computer equipment held by third parties	1,399,050	1,252,928	770,996
Radio equipment and accessories	168,533,520	-	-
Parts	56,957,197	-	-
Allowance for impairment of inventories	(1,864,428)	(68,019)	(469,908)
Total	**237,767,870**	**4,853,955**	**4,371,358**

NOTE 18 - BANK AND FINANCIAL DEBT

The evolution of loans and financing between January 1, 2016 and March 31, 2016 and for the same period of the preceding year is shown below:

	2016	2015
	Ps.	
Balance as of January 1	6,621,169,498	4,106,971,963
New loans and financing (1)	179,000,318	781,225,387
Interest	190,245,138	129,604,522
Permanence fees	3,335,675	1,236,258
Effects of exchange rate variation	755,161,597	120,133,593
Settlement of interests	(305,164,147)	(178,623,432)
Settlement of principal and issuing expenses	(300,981,450)	(264,891,522)
Measurement of financial debt at present value	31,205,265	4,992,164
Balance as of March 31	**7,173,971,894**	**4,700,648,933**

(1) Mainly loans to pay debt with upcoming maturity and to purchase capital assets and inventories.

The following is a breakdown of the Company's loans and indebtedness:

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Non-current			
Debt with related companies - principal	-	-	1,000,000
Cablevisión Notes - principal	2,496,386,704	3,321,722,710	2,635,425,486
Multicanal Notes - principal	-	-	708,627,150
Bank loans - principal	-	-	280,000,000
Measurement of financial debt at present value	(41,711,710)	(38,535,875)	(51,466,818)
For purchase of equipment - principal	632,924,194	583,000,011	319,956,951
Total	**3,087,599,188**	**3,866,186,846**	**3,893,542,769**

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Current			
Debt with related companies - principal	22,531,264	21,031,267	4,087,888
For purchase of equipment - principal	508,832,711	386,967,757	187,077,571
Accrued interest	113,221,690	194,384,944	76,724,176
Cablevisión Notes - principal	1,894,993,352	614,039,099	54,500,337
Multicanal Notes - principal	1,180,777,500	1,047,438,000	-
Measurement of financial debt at present value	36,016,189	5,832,827	19,501,502
Current account overdraft	-	15,288,758	15,214,690
Bank loans - principal	330,000,000	470,000,000	450,000,000
Total	**4,086,372,706**	**2,754,982,652**	**807,106,164**

On January 30, 2015, the Company entered into a syndicated loan agreement with the 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 rate of adjusted BADLAR + 4.85%, with 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, and in order to finance working capital and capital investments.

As a result of the execution of the syndicated loan agreement, the Company 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 indebtedness above certain approved ratios, (iv) limitation on capital expenditure exceeding certain amount, and (v) limitation on transactions with shareholders and affiliates under certain conditions.

On April 28, 2014, at the Company's Annual General Ordinary and Extraordinary Shareholders' Meeting, the shareholders of the Company 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 CNV, to be issued in one or more classes and/or series for an aggregate principal amount, including of all classes and/or series outstanding under the Program, of up to USD 500,000,000, pursuant to the provisions of Law No. 23576, as amended (the "Notes Law").The Shareholders delegated on the Board of Directors the power to determine and establish all the other terms of each class and/or series of notes to be issued under the Program. They also delegated the approval of the agreements related to the issuance and placement of the notes to be issued under the Program. The Board of Directors may sub delegate all or some powers interchangeably to one or more directors or managers of the 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 corresponding registration of the Company before the special registry created by the CNV for such purpose. The VCPs shall 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 Notes Law, as amended. The Shareholders delegated on the 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 amount authorized at this Shareholders' Meeting. They also delegated the power to request CNV to register Cablevisión in the Special Registry for VCP Programs and to authorize the VCP Program. The Board of Directors may sub delegate all or some powers interchangeably to one or more directors or managers of the Company.

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

extension of the authorization of the VCP program under the terms that had been originally approved. At the Shareholders' Meeting, the shareholders renewed the delegation on the Board of Directors of the broadest powers in connection with the Program. The Board of Directors may subdelegate all or some powers interchangeably to one or more directors or managers of the Company.

On January 13, 2015, the Company 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 core business. As of March 31, 2016 this loan has been paid.

On July 16, 2015, the Company 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 core business. As of March 31, 2016 this loan has been paid.

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

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

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 the Company delegated on the Board of Directors the power to establish all the terms governing the issuance of the above-mentioned notes within the authorized maximum amount, including, without limitation, time and price of the issuance, form, payment terms, use of proceeds, applicable law.

On February 9, 2015, pursuant to its delegated powers, the Board of Directors of Cablevisión approved the issuance of Class V notes for a nominal value of USD 286,377,785.96 (the "Class V Notes"), at a fixed annual nominal rate of 9.375%, payable semiannually as from August 2016, with final maturity in February 2018. Such Notes have been 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.

In connection with the issue of Notes, the Company has undertaken certain covenants, including: (i) limitation on the issuance of guarantees by subsidiaries, (ii) consolidations, mergers and sales of assets under certain conditions, (iii) limitation on indebtedness above certain approved ratios, (iv) limitation on capital expenditures exceeding certain amounts, (v) limitation on transactions with shareholders and affiliates under certain conditions, and (vi) limitation on the issuance and sale of shares of significant subsidiaries with certain exceptions, among others.

NOTE 19 - REGULATORY FRAMEWORK

19.1. Legal Status of Audiovisual Communication Services

The Company is the holder of licenses for the exploitation of subscription television services that were originally awarded under the regime established by Law No. 22285. The COMFER was the enforcement authority established by that law. Under Law No. 22285, subscription television 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 Audiovisual communication services Law (Law No. 26522, 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. 22285 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 National Executive Branch, and vests the new agency with authority to enforce the law.

Emergency Decree No. 267/15 (the "Emergency Decree"), issued on December 29, 2015 created the National Communications Agency ("ENACOM", for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications. Among other powers, ENACOM has all the same powers and competences that Law No. 26522 vested in AFSCA (See note 19.3).

19.2. 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. 27078, known as the "Digital Argentina Act", which partially repealed National Telecommunications Law No. 19798. 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 Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses and their respective registrations of services, remain unaltered.

The license is called "*Licencia Única Argentina Digital*" and allows 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 SECOM under the name of Cablevisión, its merged companies and/or subsidiaries and related companies that exploit telecommunication licenses are the following: Data Transmission, Paging, Videoconference, Community Retransmission, Transport of Broadcast Signals, Value-Added, Radio-Electric Trunking, Internet Access, Public Telephony, Local Telephony and National and International Long-Distance Telephony.

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

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

The Argentine Secretariat of Communications has yet to decide on the approval of the Project submitted by Cablevisión on June 21, 2011, within the framework of SECOM Resolution No. 9/2011 which created the "Infrastructure and Equipment" program, whereby telecommunication service providers were allowed to submit projects aimed at developing new infrastructure, updating existing infrastructure and/or acquiring equipment for

areas without coverage or with unmet needs, in order to meet the obligation to make contributions to the Universal Service Trust Fund for the amounts accrued as from January 2001 until the entry into force of Decree No. 558/08.

Another innovation of Law No. 27078 is the creation of a new public service under the name "Public and Strategic Infrastructure Access and Use Service for and among Providers". The right of access includes "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements are used to render audiovisual content services." Under this scheme, the government seeks to make private companies that were created and developed in competition share their networks with other companies that have not made any investments.

The foregoing applies to any provider that has its own infrastructure or networks, because the term "Associated facilities" is defined as physical infrastructures, systems, devices, associated services or other facilities or elements associated with a telecommunications network or with TIC Services that enable or support the provision of services using that network or service, or that have the potential to do so; and will include, inter alia, buildings or building entrances, building wiring, antennas, towers and other supporting constructions, ducts, masts, manholes, and cabinets (See Note 19.3).

Implementing regulations for Law No. 27078 are still pending.

19.3. 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 ENACOM as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications and vests the new agency with authority to enforce Laws Nos. 26522 and 27078, 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. 26522 and 27078, 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. 26522, 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. 26522, which establishes the multiple license regime, has been significantly amended. As a result, the Company and its subsidiaries that are licensees and/or owners of audiovisual communication services already conform to the new regulatory framework.

Under the new regulatory framework, the licenses for physical link subscription television services and for radio-electric link subscription television services held by the Company and its subsidiaries that had been granted under Laws Nos. 22285 and 26522 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. 27078), all the services exploited by the Company and some of its subsidiaries and related companies are now governed by the Digital Argentina Act. The only license held by the Company 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, its controlling company and its 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. 27078;
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 physical link and radio-electric link subscription television services may not reach more than 35% of all subscribers.

As far as Cablevisión is concerned, the Emergency Decree repeals Section 15 of Law No. 27078, which created a new public service under the name "Public and Strategic Infrastructure Access and Use Service for and among Providers". The right of access included "providers having to make available to other providers their network elements, associated facilities or services to render TIC services, even when such elements were used to render audiovisual content services." On April 6, 2016, the above-mentioned Emergency Decree was approved by the Chamber of Deputies of Congress.

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

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

Notwithstanding point iii) above, ENACOM Resolution No. 427/2016, provides that licensees that hold only one license to provide a certain type of service and have requested an extension of its term but have not obtained an express decision in this respect, must ratify their requests. Therefore, some of the companies in which the Company holds an equity interest will make filings to such end.

However, it should be noted that pursuant to Section 21 of the Emergency Decree and until the enactment of a law that shall unify the fee regime provided under Laws Nos. 26522 and 27078, the physical link and radio-electric link subscription television services exploited by the Company and/or its Subsidiaries will continue to be solely subject to the fee regime provided under Law No. 26522. 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. 27078.

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

In addition, and pursuant to ENACOM Resolution No. 1394/16, which approves the General Rules for Physical Link Subscription Television Services and/or Radio-Electric Link Subscription Television Services, in those cases in which the Company and/or any of its subsidiaries had purchased bidding forms to apply for a new license because its term had expired or to apply for an area extension, they shall amend their filings and request an authorization of coverage area.

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

Pursuant to the Emergency Decree, the providers of the Basic Telephone Service whose licenses were granted under the terms of Decree No. 62/90 and paragraphs 1 and 2 of Section 5 of Decree No. 264/98, as well as Mobile Telephone Service providers with a license granted pursuant to the list of bidding conditions approved by Resolution No. 575/93 of the then Ministry of Economy and Public Works and Services and ratified by Decree No. 1461/93, shall only be able to provide subscription broadcasting services by means of physical or radio-electric link after a term of two years counted as from January 1, 2016. That term may be extended for one more year.

The Emergency Decree was approved on April 6, 2016, by the National Chamber of Deputies. Therefore, it has full force and effect.

19.4. Matters related to the regulatory situation of the Company

19.4.1. Proposal to conform to the provisions of Law No. 26522

Pursuant to ENACOM Resolution No. 17/2016 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. 26522 and its regulations, among which is the proposal submitted by the Company and its controlling company (described under note 28 to the consolidated financial statements as of December 31, 2015) comply with the limits relating to multiplicity of licenses set forth under Section 45 of Law No. 26522 amended by the Emergency Decree. Therefore, they shall be deemed concluded and filed.

19.4.2. Fibertel license

The ENACOM issued Resolution No. 1359/16, whereby it authorized the transfer of ownership of the Exclusive Telecommunication Service License that had been granted to Fibertel S.A., a company that was absorbed by Cablevisión S.A. in a merger with effect as from April 1, 2003 (See Note 28.4.6 to the Consolidated Financial Statements as of December 31, 2015).

19.4.3. Nextel

19.4.3.1 Acquisition of control over Nextel

On September 10, 2015, the Board of Directors of the Company 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. (hereinafter, "Nextel") 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 transaction was executed on September 14, 2015 with the aggregate payment by the Company and its subsidiary of USD 159 million. The companies undertook to create an USD 6 million guarantee fund with the balance to cover any potential liabilities of Nextel (this fund was set up on October 7, 2015).

Subsequently, on January 27, 2016, the Company 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, the Company became the holder of 51.4% of the capital stock and votes of Nextel and Televisión Dirigida S.A. became the holder of the remaining 48.6%.

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

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

19.4.3.2 Status of the frequencies allocated to NEXTEL

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

On October 9, 2015, Grupo Clarín and the Company filed an appeal against AFTIC Resolution No. 326/2015 grounding their legitimate interest on their acquisition of 49% of the licensee.

Nextel first requested the suspension of the effects of Resolution No. 325/2015, and then filed an appeal against the administrative act.

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

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

19.5. Audiovisual Communications Law of the Republic of Uruguay

Law No. 19307 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 six authorizations or licenses to render television services to subscribers throughout the national territory of Uruguay. Such limit is reduced to three if one of the authorizations or licenses includes the department of Montevideo. Section 189 of this law provides that in the cases where such limits were exceeded as of the entry into force of the Law, the owners of those audiovisual communication services shall transfer the necessary authorizations or licenses so as not to exceed the limits mentioned above within a term of 4 years as from the date of entry into force of the Audiovisual Communications Law.

Adesol S.A. is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain sections of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court in those proceedings may be favorable to the position of Adesol S.A. in the future. On April 7, 2016, 28 unconstitutionality claims were brought against the above mentioned law, out of which 22 are pending before the Supreme Court and 5 are at the discovery stage. As of the date of these financial statements, the Supreme Court has only issued Decision No. 79, dated April 5, 2016, whereby it declared the unconstitutionality of Section 39, Subsection 3, Section 55, Section 60, Point C, and Section 98, subsection 2 of Law No. 19307.

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 the Company 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 20 – PROVISIONS AND OTHER CHARGES

20.1. Legal and administrative processes and other commitments

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

On September 17, 2009, Judge Dr. Esteban Furnari of the National Court on Federal Administrative Matters No. 2, in re "Multicanal y Otro c/ Conadeco- Dto. 527/05 y otro s/ Proceso de Conocimiento", 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 Court of Appeals on Federal Administrative Matters, in re "Multicanal y Otro c/ Conadeco Dto. No. 527/05 y otro s/ Proceso de Conocimiento", 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, the Company´s preliminary injunction regained full force and effect. Accordingly, on January 8, 2010, the Company notified such circumstance to the COMFER.

Subsequently, on March 9, 2011 the Supreme Court of Argentina in re "Multicanal y Otro c/ Conadeco - Dto. 527/05 y otro s/ Proceso de Conocimiento", granted the appeal by right and the Extraordinary Appeal filed by the National Government and revoked the decision rendered by Chamber No. 3 of the Court of Appeals on Federal Administrative Matters, which had confirmed the injunction requested by the Company in the first instance. Notwithstanding the foregoing, the Company believes that this matter does not have a material impact on the merits of the case.

Notwithstanding the required filings made by the Company 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, the Company notified the CNDC of the completion and corresponding verification of the fulfillment of the voluntary undertakings made by the Company at the time of the enactment of SCI Resolution No. 257/07. On December 15, 2009, the Federal Court of Appeals on Civil and Commercial Matters, Chamber No. 2, issued a preliminary injunction in re "Grupo Clarín S.A. c/ Secretaría de Comercio Interior y otros s/ medidas cautelares" (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 the Company'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. 1011/09, whereby it deemed the Company's voluntary undertakings unfulfilled and declared the rescission of the authorization granted under Resolution 257/07 dated December 7, 2007.

On December 17, 2009, the Federal Court of Appeals on Commercial-Criminal Matters Chamber A, decided to suspend the term to appeal Resolution No. 1011/09 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 the Company of the initiation of the motion for execution of Resolution No. 1011/09. On December 18, 2009, Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters issued an injunction in re "Grupo Clarín S.A. c/ Secretaría de Comercio Interior y otros s/ medidas cautelares", which suspended the effects of Resolution No. 1011/09 until the notice set forth in the preliminary injunction of December 15, 2009 was served. Accordingly, the CNDC served notice to the Company by means of Resolution No. 1101/09.

On December 30, 2009, Chamber No. 2 of the Federal Court of Appeals on Civil and Commercial Matters, issued a preliminary injunction in re "Grupo Clarín S.A. c/ Secretaría de Comercio Interior y otros s/ medidas cautelares", partially acknowledging Grupo Clarín's request and suspending the term for Grupo Clarín to respond to Resolution No. 1101/09 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. 1011/09 was based).

On February 19, 2010, the Company requested the nullification of the notice, and as a default argument, submitted the response requested under Resolution No. 1101/09. On February 26, 2010, the Federal Court of Appeals on Commercial-Criminal Matters approved the recusation filed by the Company and excluded the Secretary of Domestic Trade from the proceedings.

On March 3, 2010, the Argentine Ministry of Economy and Public Finance issued Resolution No. 113 (subscribed by the Minister of Economy, Dr. Amado Boudou) rejecting the request for the nullification of Resolution No. 1011/09, the requests for abstention and excusation of certain officials, and all the evidence produced in connection with such request for nullification. In addition, the undertakings made under Resolution No. 257/07 were deemed unfulfilled, thus declaring the rescission of the authorization granted under such resolution. The parties involved were ordered to take all necessary actions to comply with such rescission within a term of six months, and to inform the CNDC about the progress made in that respect on a monthly basis. Such resolution was appealed in due time and form. The appeal was granted without staying the execution of judgment.

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

The National Government filed an appeal asking that the court of appeals revoke its own decision with respect to the effect granted to the April 20 decision and that it decline its jurisdiction. It also filed an extraordinary appeal. Both appeals were dismissed. Chamber No. 2 requested the administrative file to analyze the case.

On September 17, 2015, the Court rendered a decision in favor of the Company, 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.

On March 21, 2016, the Company was served with the decision to dismiss the appeal that had been filed by the National Government - Ministry of Economy and Public Finance. Therefore, SCI Resolution No. 257/07 and the effects of the authorization are in full force and effect to date.

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

The Company believes that it has strong arguments for the decision to revoke MECON Resolution No. 113/10 to be confirmed. However, it cannot assure that the outcome will be favorable.

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

b) 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 Company 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, the Company 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, the Company 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 the Company and/or some of its subsidiaries, like other companies in the industry, have strong constitutional arguments to support their position, it cannot be assured that the final outcome of this issue will be favorable. Therefore, the Company may be forced to modify the price of its pay television subscription, a situation that could significantly affect the revenues of its core business. This creates a general framework of uncertainty over the Company's business that could significantly affect the recoverability of its relevant assets. 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. c/ Ministerio de Economía-Secretaría de Comercio Interior de la Nación", 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 the Company alleging that it had failed to comply with the information regime set forth by Resolution No. 50/10 and invoking the Consumer Defense Law to impose such penalty. The fine was appealed and submitted to the Federal Court of Appeals on Administrative Matters, Chamber No. 5 which decided to reduce the fine to Ps. 300,000. The Company 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 of 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.

The Company believes that Resolution No. 36/11 is illegal and arbitrary, since it is grounded on Resolution 50/10, which is absolutely null and void. Since the application of Resolution No. 50/10 has been suspended, the application of Resolution No. 36/11, which falls within the framework of the former, is also suspended.

The claim filed by the Company seeking the nullification of Resolution No. 50/10 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. The Company 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, the Company 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, the Company continues to be protected by said preliminary injunction, and therefore, the ordinary course of its business will not be affected.

On April 23, 2013, the Company was served notice of a decision rendered in re "Defensor del Pueblo de Buenos Aires c/Cablevisión S.A. s/Amparo Ley 16,986 (Incidente de Medida Cautelar)" 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 fine of Ps. 100,000 per day on the Company.

The Company 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 the Company 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 y Otros c/ Estado Nacional y Otros s/ Medida Precautoria". 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. The Company filed an appeal against that decision in due time and form. On October 16, 2013, the Court of Appeals dismissed the appeal filed by the Company. On that same date, the Company settled the fine in the amount of Ps. 1,260,000 and compliance was recorded in the file.

On June 11, 2013, the Company 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.

The Company 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 Federal Court on Administrative Matters and the Federal Court on Civil and Commercial Matters declined jurisdiction to enforce the injunction ordered by the Federal Judge of La Plata. The Company has appealed the decision in connection with the lack of jurisdiction in due time and form. Chamber No. 1 of the Federal Court of Appeals on Civil and Commercial Matters confirmed the appealed decision. Accordingly, the Company 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, both parties requested the suspension of the procedural terms for 180 days. The judge granted such request. Therefore, the procedural terms were suspended until December 11, 2014. Given the decision rendered by the Supreme Court of Argentina in re "Municipality of Berazategui v. Cablevisión" mentioned below, the procedural periods remain suspended until the Federal Court of Mar del Plata renders a decision thereon.

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 the Company comply with Resolution No. 50/10 and the subsequent resolutions that extended its

effectiveness. In some cases, preliminary injunctions were granted. In every case, the Company 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 of the Company, its branches and subsidiaries prior to the issuance of such preliminary injunctions.

On September 23, 2014, the Court rendered a decision in re "Municipalidad de Berazategui c/ Cablevisión" ordering 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 the Company and its subsidiaries, and the Company's consolidated financial statements should be read in light of such uncertainty.

NOTE 21 – TAXES PAYABLE

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Non-Current			
National taxes	7,929,319	10,123,846	1,834,459
Total	**7,929,319**	**10,123,846**	**1,834,459**
Current			
National taxes	1,188,488,269	769,484,561	1,039,054,937
Provincial taxes	36,391,653	24,727,433	17,675,286
Municipal taxes	51,999,274	28,535,960	35,092,734
Total	**1,276,879,196**	**822,747,954**	**1,091,822,957**

NOTE 22 – OTHER PAYABLES

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
Non-Current			
Revenues to accrue	107,063,743	110,990,675	104,185,414
Other	1,284,604	800	800
Total	**108,348,347**	**110,991,475**	**104,186,214**
Current			
Dividends payable – Related parties	1,688,242	1,688,242	1,543,957
Fees to directors and syndics	939,031	11,708,261	749,366
Revenues to accrue	296,211,729	145,795,434	119,659,201
Other	24,633,055	1,262,569	2,580,695
Total	**323,472,057**	**160,454,506**	**124,533,219**

NOTE 23 - SHARE CAPITAL

The following table shows the Company's shareholders. The principal shareholders of the Company do not have different or preferred voting rights with respect to the shares owned by them.

Shareholders	Number of Shares	% of Share Capital
Southtel Holdings S,A, (1)	56,609,313	28.7
VLG Argentina, LLC (2)	101,252,687	51.3
Fintech Media LLC (3)	28,304,317	14.3
Vistone S,A, (4)	3,277,197	1.7
CV B Holding S,A, (4)	7,883,139	4.0
Otros (3)	70,457	-
Total	197,397,110	100.0

(1) Class A Shares, controlled by Grupo Clarín.
(2) Class A Shares, controlled by Grupo Clarín and Fintech.
(3) Class B Shares.
(4) Class B Shares, controlled by Grupo Clarín.

NOTE 24 - RESERVES, ACCUMULATED RESULTS AND DIVIDENDS

1. Cablevisión

On April 20, 2016, at the Company's Annual General Ordinary and Extraordinary Shareholders' Meeting, its shareholders decided to appropriate the net income for the year ended December 31, 2015, of Ps. 2,473,366,772 according to the following detail: (i) Ps. 750,000,000 to the distribution of cash dividends payable to shareholders in proportion to their shareholdings, in pesos or dollars within thirty days of the Shareholders' Meeting, delegating on the board the time and form of payment, (ii) Ps. 1,723,366,772 to the Voluntary Reserve to maintain the Company's level of capital expenditures and its current solvency level. As of the date of issuance of these financial statements the Company has paid Ps. 722,657,775 of its distributed dividends.

NOTE 25 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

During the three-month period ended March 31, 2016, there were no transactions with related parties outside the ordinary course of business, or significant changes in balances.

Agreements with shareholders

On June 28, 2008, Cablevisión and Grupo Clarín executed a supplementary agreement to the technical assistance agreement, effective as of September 26, 2006, whereby they amended the volume of the services rendered by Grupo Clarín and the mechanism used to determine that company's annual fee.

On January 5, 2016 and January 5, 2015 respectively, the agreements were amended, setting Grupo Clarín's annual fees.

NOTE 26 - DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited 03.31.2016		12.31.2015		Unaudited 03.31.2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
			Ps.			
Forward contracts to purchase foreign currency - fair value hedges	**7,160,000**	**-**	**11,628,000**	**-**	**-**	**-**
Total	**7,160,000**	**-**	**11,628,000**	**-**	**-**	**-**
Less non-current part				-		
Forward contracts to purchase foreign currency - fair value hedges	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**
Current part	**7,160,000**	**-**	**11,628,000**	**-**	**-**	**-**

There are no inefficiencies derived from fair value hedges that should be recognized.

NOTE 27 - FINANCIAL INSTRUMENTS

The Company's activities expose it to several financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), capital risk, credit risk and liquidity risk.

There have not been any changes in risk management policies as from the last closing date.

The Company makes transactions in foreign currency. Therefore, it is exposed to fluctuations in the exchange rate. A portion of the Company's financial debt is denominated in U.S. dollars, whereas its revenues are generated in the currency of the country in which it operates.

Therefore, the Company has executed forward foreign exchange purchases. (See Note 26).

Monetary assets and liabilities denominated in foreign currency (U.S. dollar) at March 31, 2016, December 31, 2015 and March 31, 2015 are as follows:

	Unaudited 03.31.2016	12.31.2015	Unaudited 03.31.2015
		Ps.	
ASSETS			
Other receivables	95,099,747	64,675,714	43,851,720
Trade receivables	720,928,720	519,714,898	318,028,996
Investments	803,934,408	697,057,242	828,120,902
Cash and banks	2,685,722,847	1,414,140,503	1,025,840,709
Total Assets	**4,305,685,722**	**2,695,588,357**	**2,215,842,327**
LIABILITIES			
Bank and financial debt	6,592,465,249	6,091,496,173	3,904,966,860
Provisions and other charges	110,718	110,099	86,810
Other payables	74,076,467	61,380,751	44,304,522
Accounts payable and others	390,538,054	237,791,939	81,373,082
Total Liabilities	**7,057,190,488**	**6,390,778,962**	**4,030,731,274**

27.1. Financial instruments at fair value

The following table shows the Company's financial assets and liabilities valued at fair value as of the end of each period and year respectively:

	Unaudited 03.31.2016	Trading prices (Level 1)	Other significant observable items (Level 2)
		Ps.	
Assets			
Current investments	1,266,973,860	1,266,973,860	-
Derivative financial instruments	7,160,000	-	7,160,000

Financial assets are valued using quoted prices for identical assets or liabilities (Level 1) and the prices of similar instruments from sources available on the market (Level 2). At March 31, 2016, December 31, 2015 and March 31, 2015, the Company did not have any asset or liability that had not been compared against observable market data to determine fair value (Level 3).

	12.31.2015	Trading prices (Level 1)	Other significant observable items (Level 2)
		Ps.	
Assets			
Current investments	890,262,986	890,262,986	-
Derivative financial instruments	11,628,000	-	11,628,000

	Unaudited 03.31.2015	Trading prices (Level 1)	Other significant observable items (Level 2)
		Ps.	
Assets			
Current investments	1,711,867,745	1,711,867,745	-

27.2. Fair value of financial instruments

The book value of cash, accounts receivable and current liabilities approximates their fair value due to the short term maturities of these instruments. Non-current financial receivables were generated near the end of the periods ended as of March 31, 2016 and 2015 and the year ended as of December 31, 2015 respectively so that the amortized cost approximates the 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 determined based on the future cash flows of the debt discounted at the market rate available to the Company for debt with similar terms (currency and remaining term), prevailing at the time of measurement.

The estimated fair value of non-current financial liabilities is as follows (in thousands of pesos):

	Unaudited 03.31.2016		12.31.2015		Unaudited 03.31.2015	
	Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Bank and financial debt - non-current	3,087,599	3,036,324	3,866,187	3,804,276	3,893,543	3,532,413

NOTE 28 - CAPITAL MARKETS LAW NO. 26831

On December 28, 2012, Capital Markets Law No. 26831 (the "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. 17811. The Law enhances, among other things, the National Government's oversight powers. It also introduces changes to the authorization, control and oversight mechanisms of all stages of the public offering process and to 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 (the "Decree") to regulate partially the Capital Markets Law that had been passed in November 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 one hundred eighty 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 with 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 per cent (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 with 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 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 the CNV's powers over the companies under that agency's oversight, and also in connection with the information that these companies must disclose.

NOTE 29 - SUBSEQUENT EVENTS

a) Note 17.1 describes the main events that took place after March 31, 2016 in connection with the development of issues relating to the regulatory framework of audiovisual communication services.

b) Note 17.3 describes the main events that took place after March 31, 2016 in connection with issues relating to DNU N° 267/15.

c) Note 17.4 describes the main events that took place after March 31, 2016 in connection with the Company's regulatory situation.

d) Notes 18 and 24 describe the main events that took place after December 31, 2015 in connection with the decisions of the shareholders at the General Extraordinary Shareholders' Meeting held on January 12, 2016.

e) Note 18 describes the main events that took place after March 31, 2016 in connection with the new bank loans subscription.

NOTE 30 - APPROVAL OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

These consolidated condensed interim financial statements have been approved by the Board of Directors of the Company and their issue has been authorized for May 10, 2016.

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