



Cablevisión Holding S.A.

Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2019
presented on a comparative basis

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

Contents

Interim Condensed Consolidated Financial Statements

Consolidated Statement of Comprehensive Income.
Consolidated Statement of Financial Position.
Consolidated Statement of Changes in Equity.
Consolidated Statement of Cash Flows.

Notes to the Interim Condensed Consolidated Financial Statements

1. General Information and Basis for the Presentation of the Interim Condensed Consolidated Financial Statements
2. Cash and Cash Equivalents and Investments. Additional Information on the Consolidated Statement of Cash Flows.
3. Trade Receivables.
4. Other Receivables.
5. Inventories.
6. Goodwill.
7. Property, Plant and Equipment.
8. Intangible Assets.
9. Right-of-Use Assets
10. Accounts Payable.
11. Financial Debt.
12. Salaries and Social Security Payables.
13. Deferred Income Tax Assets / Liabilities.
14. Taxes Payable.
15. Lease Liabilities.
16. Other Liabilities.
17. Provisions.
18. Additional Information.
19. Purchase Commitments.
20. Capital Stock.
21. Revenues.
22. Operating Expenses.
23. Financial Income and Expense.
24. Earnings Per Share.
25. Balances and transactions with companies under Article 33 - Law no. 19,550 and related parties.
26. Reserves, accumulated income and dividends.
27. Developments for the three-month period ended March 31, 2019.
28. Mandatory Public Tender Offer ("PTO") due to Change of Control.
29. Subsequent Events.
30. Approval of the Interim Condensed Consolidated Financial Statements

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Interim Condensed Consolidated Financial Statements for the three-month period ended March 31, 2019

GLOSSARY OF TERMS

The Company / Cablevisión Holding	Interchangeably, Cablevisión Holding S.A.
Telecom Argentina/Telecom	Interchangeably, Telecom Argentina S.A.
Group	Economic group composed by the Company and its subsidiaries.
Telecom Group	Economic group composed by Telecom Argentina and its subsidiaries.
Telecom Personal/Personal/Micro Sistemas/Telintar/Pem/CV Berazategui/Cable Imagen/ Última Milla/AVC Continente Audiovisual/Inter Radios	These companies are corporations or limited liability companies that are controlled directly or indirectly pursuant to the definition established under the General Associations Law, or were controlled by Telecom, directly or indirectly, to wit: Telecom Personal S.A., Micro Sistemas S.A., Telecomunicaciones Internacionales de Argentina Telintar S.A., Pem S.A., CV Berazategui S.A., Cable Imagen S.R.L., Última Milla S.A., AVC Continente Audiovisual S.A., Inter Radios S.A.U.
Sofora	Sofora Telecomunicaciones S.A.
Fintech	Fintech Telecom LLC, shareholder of Telecom.
Telecom USA/Núcleo/Personal Envíos/Tuves Paraguay / Televisión Dirigida / Adesol	These refer to the foreign companies Telecom Argentina USA, Inc, Núcleo S.A.E., Personal Envíos S.A., Tuves Paraguay S.A., Televisión Dirigida S.A. and Adesol S.A., respectively, controlled by Telecom, directly or indirectly pursuant to the definition established under the Business Associations Law.
AFIP	<i>Administración Federal de Ingresos Públicos</i> (Argentine Federal Revenue Service)
AMBA	<i>Área Metropolitana de Buenos Aires</i> , the Metropolitan Area of Buenos Aires. It comprises the City of Buenos Aires and its surrounding areas.
AREA	Adjustment to Net Income from Prior Years
BYMA/NYSE	Bolsas y Mercados Argentinos and the New York Stock Exchange, respectively.
BCRA	<i>(Banco Central de la República Argentina)</i> : Central Bank of Argentina.
Cablevisión	Cablevisión S.A., absorbed by Telecom as from January 1, 2018, which activities are currently carried out by Telecom.
CAPEX	Capital expenditures.
CNC	<i>(Comisión Nacional de Comunicaciones)</i> : Argentine Communications Commission
CNDC	<i>(Comisión Nacional de Defensa de la Competencia)</i> National Antitrust Commission.
CNV	Argentine Securities Commission.
COMFER	<i>Comité Federal de Radiodifusión</i> (Federal Broadcasting Committee)
CONATEL	<i>(Comisión Nacional de Telecomunicaciones del Paraguay)</i> . Paraguayan Telecommunications Commission.
CPCECABA	<i>(Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires)</i> Professional Council in Economic Sciences of the City of Buenos Aires.
CPP	Calling Party Pays. Charges for calls from fixed phones to mobile phones.
D&A	Depreciation and Amortization.
ENACOM	<i>Ente Nacional de Comunicaciones</i> (National Communications Agency "ENACOM", for its Spanish acronym)
ENARD	<i>(Ente Nacional de Alto Rendimiento Deportivo)</i> : National Board of High Performance Sports.
ENTel	<i>(Empresa Nacional de Telecomunicaciones)</i> : National Telecommunication company.
FFSU or SU Fund	<i>(Fondo Fiduciario del Servicio Universal)</i> : Universal Service Trust Fund
IASB	International Accounting Standards Board.
VAT	Value Added Tax
Gestión Compartida	GC Gestión Compartida S.A.
Grupo Clarín	Grupo Clarín S.A.
IDEN	<i>(Red Mejorada Digital Integrada)</i> : Integrated Digital Enhanced Network.
NDF	Non-Deliverable Forward: Derivatives.
IGJ	<i>(Inspección General de Justicia)</i> : Argentine Superintendency of Legal Entities.
LAD	<i>(Ley Argentina Digital N° 27.078)</i> : Digital Argentina Law No. 27,078.
LGS	<i>(Ley General de Sociedades)</i> General Associations Law No. 19,550, as amended.
IFRS	International Financial Reporting Standards, issued by IASB.
NORTEL	Nortel Inversora S.A.
PCS	Personal Communications Service. A mobile communications service with systems that operate in a manner similar to cellular systems.
PEN	<i>(Poder Ejecutivo Nacional)</i> : National Executive Branch.
PP&E	Property, Plant and Equipment.
PPP	<i>(Programa de Propiedad Participada)</i> : Share Ownership Plan.
Gain (Loss) on Net Monetary Position	Results from changes in the purchasing power of the currency ("RECPAM", for its Spanish acronym).
Roaming	Charges for the use of network availability to customers of other national and foreign carriers.

See our report dated May 13, 2019
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(Partner)

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Supervisory Committee

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

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GLOSSARY OF TERMS

TR/FACPCE	Technical Resolutions issued by the "Federación Argentina de Consejos Profesionales de Ciencias Económicas" (Argentine Federation of Professional Councils in Economic Sciences).
RT 26	Technical Resolution No. 26, amended by Technical Resolutions Nos. 29 and 43, among others.
SBT	(Servicio Básico Telefónico): Basic Telephony Service.
SC	(Secretaría de Comunicaciones): Argentine Secretariat of Communications.
SCMA	(Servicio de Comunicaciones Móviles Avanzadas): Advanced Mobile Communications Service.
SEC	Securities and Exchange Commission.
SRCE	(Servicio Radioeléctrico de Concentración de Enlaces): Radio electric trunking services.
SRMC	(Servicio de Radiocomunicaciones Móvil Celular): Cellular Mobile Radiocommunications Service.
SRS	(Servicio de Radiodifusión por Suscripción por vínculo físico y/o radioeléctrico): Physical and/or radio-electric link subscription broadcasting services.
STM	(Servicio de Telefonía Móvil): Mobile Telephony Services.
SU	(Servicio Universal): Universal Service. The availability of fixed telephony service at an affordable price to all persons within a country or specified area.
VAS	Valued-added Services, which provide additional functionality to the basic transmission services offered by a telecommunications network such as Video streaming, Personal Video, Personal Cloud, M2M (Communication Machine to Machine), Social networks, Personal Messenger, Contents and Entertainment (content and text subscriptions, trivias, games, music and customization - ringtones, wallpaper, screensavers, etc), MMS (Mobile Multimedia Services) and Voice Mail.
Telefónica	Telefónica de Argentina S.A.
TLRD	(Terminación Llamada Red Destino): Termination charges for calls from third party carrier's customers to Telecom Group mobile customers.
VLG	VLG S.A.U., previously VLG Argentina LLC.
VPP	(Valor Patrimonial Proporcional): Equity Method.
WAI	W de Argentina-Inversiones S.A, former controlling company of Telecom

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Interim Condensed Consolidated Financial Statements as of March 31, 2019 and for the three-month period beginning January 1, 2019 and ended March 31, 2019.

Amounts stated in Argentine Pesos - Note 1.c) to the Interim Condensed Consolidated Financial Statements.

Registered office: Tacuarí 1842, 4th Floor, Buenos Aires, Argentina

Main corporate business: Investing and financing

Date of incorporation: December 1, 2016

Date of registration with the Public Registry of Commerce:
- Of the by-laws: April 27, 2017

Business start date: May 1, 2017

Registration number with the IGJ: 1,908,463

Expiration of Articles of Incorporation: April 27, 2116

Information on Parent Company:

Name: GC Dominio S.A.

Registered office: Piedras 1743, Buenos Aires, Argentina

The information about the Company's subsidiaries is disclosed in Note 1 to the Interim Condensed Consolidated Financial Statements.

CAPITAL STOCK STRUCTURE (Note 20)

Type	Number of votes per share	Outstanding Shares	Treasury Stock	Total Subscribed, Registered and Paid-in Capital
Class "A" Common shares, \$1 par value	5	47,753,621	-	47,753,621
Class "B" Common shares, \$1 par value	1	121,104,504	1,578	121,106,082
Class "C" Common shares, \$1 par value	1	11,782,877	-	11,782,877
Total as of March 31, 2019		180,641,002	1,578	180,642,580

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(in millions of Argentine pesos)

	<u>Note</u>	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>
Revenues	21	44,328	48,725
Employee benefit expenses and severance payments	22	(8,787)	(8,297)
Interconnection and Transmission Costs		(1,466)	(1,507)
Fees for Services, Maintenance, Materials and Supplies	22	(4,542)	(4,295)
Taxes and Fees with the Regulatory Authority	22	(3,483)	(3,910)
Commissions and Advertising		(2,518)	(2,881)
Cost of Equipment and Handsets	22	(2,182)	(2,619)
Programming and Content Costs		(3,412)	(3,413)
Bad Debt Expenses	3	(1,448)	(972)
Other Operating Income and Expense	22	(2,075)	(2,419)
Operating Income before Depreciation and Amortization		14,415	18,412
Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.	22	(9,993)	(8,486)
Operating Income		4,422	9,926
Equity in Earnings from Associates	2	103	78
Financial Expenses on Debts	23	(4,677)	(1,425)
Other Financial Results, net	23	4,275	4,075
Income before Income Tax Expense		4,123	12,654
Income Tax	13	(3,426)	(2,441)
Net Income		697	10,213
Other Comprehensive Income - to be subsequently reclassified to profit or loss			
Currency Translation Adjustments (no effect on Income Tax)		(488)	(723)
Effect of NDF classified as hedges		(75)	158
Tax Effect of NDF classified as hedges		21	(43)
Other Comprehensive Income, net of Taxes		(542)	(608)
Total Comprehensive Income		155	9,605
Net Income attributable to:			
Shareholders of the Controlling Company		(174)	3,184
Non-Controlling Interest		871	7,029
Total Comprehensive Income Attributable to:			
Shareholders of the Controlling Company		(350)	2,991
Non-Controlling Interest		505	6,614
Basic and Diluted Earnings per Share attributable to the Shareholders of the Controlling Company (in pesos)	24	(0.96)	17.63

Additional information on costs by function is provided in Note 22.

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

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Certified Public Accountant (UBA)
C.P.C.E.C.A.B.A. Vol. 150 Fol. 106

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2019 AND DECEMBER 31, 2018
(in millions of Argentine pesos)

ASSETS	Note	March 31, 2019	December 31, 2018
CURRENT ASSETS			
Cash and Cash Equivalents	2	13,720	8,334
Investments	2	1,842	1,532
Trade Receivables	3	16,461	19,467
Other Receivables	4	4,415	5,734
Inventories	5	3,110	3,059
Other Assets		400	334
Total Current Assets		39,948	38,460
NON-CURRENT ASSETS			
Trade Receivables	3	68	68
Other Receivables	4	1,739	2,233
Deferred Income Tax Assets	13	170	131
Investments	2	4,967	6,254
Goodwill	6	127,527	127,529
Property, Plant and Equipment ("PP&E")	7	167,539	167,900
Intangible Assets	8	65,165	66,293
Right-of-Use Assets	9	5,722	634
Total Non-Current Assets		372,897	371,042
Total Assets		412,845	409,502
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	10	21,296	25,586
Financial Debt	11	19,717	31,549
Salaries and Social Security Payables	12	5,829	6,656
Taxes Payable	14	3,167	2,627
Lease Liabilities	15	1,616	-
Other Liabilities	16	1,805	1,787
Provisions	17	834	832
Total Current Liabilities		54,264	69,037
NON-CURRENT LIABILITIES			
Accounts Payable	10	623	637
Financial Debt	11	81,074	66,249
Salaries and Social Security Payables	12	419	388
Deferred Income Tax Liabilities	13	28,015	27,433
Taxes Payable	14	22	29
Lease Liabilities	15	2,785	-
Other Liabilities	16	1,207	1,294
Provisions	17	3,724	3,878
Total Non-Current Liabilities		117,869	99,908
Total Liabilities		172,133	168,945
EQUITY (as per the corresponding statement)			
Attributable to Shareholders of the Parent Company		93,254	93,604
Attributable to Non-Controlling Interests		147,458	146,953
TOTAL EQUITY		240,712	240,557
TOTAL LIABILITIES AND EQUITY		412,845	409,502

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

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Parent Company									Equity Attributable to Non-Controlling Interests	Total Equity	
	Shareholders' Contribution				Other Items		Retained Earnings					Total Equity of Controlling Interests
	Capital Stock (1)	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings			
Balances as of January 1, 2018	181	4,438	10,861	15,480	(1,262)	(8)	154	7,603	15,432	37,399	18,459	55,858
Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	-	(111)	(111)	(82)	(193)
Effect of the Merger	-	-	-	-	-	57,776	-	-	-	57,776	143,601	201,377
Set-up of reserves	-	-	-	-	-	-	-	2,667	(2,667)	-	-	-
Dividends and Other Movements of Non- Controlling Interest	-	-	-	-	-	-	-	-	-	-	(19,635)	(19,635)
Changes in Other Reserves	-	-	-	-	-	(58)	-	-	-	(58)	(89)	(147)
Net income for the period	-	-	-	-	-	-	-	-	3,184	3,184	7,029	10,213
Other Comprehensive Income	-	-	-	-	(193)	-	-	-	-	(193)	(415)	(608)
Balances as of March 31, 2018	181	4,438	10,861	15,480	(1,455)	57,710	154	10,270	15,838	97,997	148,868	246,865
Balances as of January 1, 2019	181	4,438	10,861	15,480	(767)	57,606	154	10,270	10,861	93,604	146,953	240,557
Net income for the period	-	-	-	-	-	-	-	-	(174)	(174)	871	697
Other Comprehensive Income	-	-	-	-	(176)	-	-	-	-	(176)	(366)	(542)
Balances as of March 31, 2019	181	4,438	10,861	15,480	(943)	57,606	154	(2) 10,270	10,687	93,254	147,458	240,712

(1) Includes 1,578 treasury shares (Note 20).

(2) Broken down as follows: (i) Voluntary reserve for future dividends of \$ 3,734; (ii) Voluntary reserve for illiquid results of \$ 899, (iii) Voluntary reserve to ensure the liquidity of the Company and its subsidiaries of \$ 1,359. (iv) Voluntary Reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law of \$1,611 and (v) Voluntary Reserve for financial obligations of \$ 2,667.

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

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(in millions of Argentine pesos)

	<u>Note</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<u>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>			
Net Income		697	10,213
Adjustments to reconcile net income to net cash flows provided by operating activities			
Allowances Deducted from Assets and Provisions for Lawsuits and Other Contingencies		1,450	980
Depreciation of PP&E	7	7,844	6,842
Amortization of Intangible Assets	8	1,439	1,526
Amortization of Rights of Use		637	22
Equity in Earnings from Associates	2	(103)	(78)
Impairment of PP&E		73	96
Net Book Value of PP&E		(12)	199
Financial Results and Other		4,805	6,317
Income Tax Expense	13	3,426	2,441
Income Tax Paid		(348)	(1,436)
Decrease (Increase) in Assets, Net	2.b	2,447	(1,203)
Net Increase in Liabilities	2.b	(7,915)	(12,250)
Net Cash Flows provided by Operating Activities		14,440	13,669
<u>CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES</u>			
PP&E Acquisitions		(7,744)	(8,222)
Intangible Assets Acquisition		(298)	(1,105)
Collection of Dividends	2.b	78	28
Cash Incorporated under the Merger		-	4,665
Income from Sale of PP&E and Intangible Assets		1	6
Investments not considered as cash and cash equivalents		1,090	1,609
Net Cash Flows used in Investing Activities		(6,873)	(3,019)
<u>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</u>			
Proceeds from Financial Debt	2.b	12,397	32,837
Payment of Financial Debt	2.b	(12,047)	(17,000)
Payment of Interest and Related Expenses	2.b	(1,667)	(819)
Payment of Lease Liabilities		(825)	-
(Increase) / Decrease in the Reserve Account		(53)	419
Payment of Cash Dividends to Non-Controlling Interests	2.b	-	(20,943)
Net Cash Flows used in Financing Activities		(2,195)	(5,506)
NET INCREASE IN CASH FLOWS		5,372	5,144
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:		8,268	8,057
EFFECTS OF EXCHANGE RATE DIFFERENCES AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS		80	276
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,720	13,477

See Note 2.b for additional information on the consolidated statement of cash flows.

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

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CABLEVISIÓN HOLDING S.A.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
(in millions of Argentine pesos)

NOTE 1 – GENERAL INFORMATION AND BASIS FOR THE PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**a) General Information****Cablevisión Holding S.A.**

Cablevisión Holding S.A. is a holding company that operates in the telecommunications industry. Its operating income and cash flows derive from the operations of its subsidiaries in which it participates directly or indirectly.

Telecom Group

Telecom Argentina was created through the privatization of ENTel, the state-owned company that provided telecommunication services in Argentina.

Telecom's license, as originally granted, was exclusive to provide telephony services in the northern region of Argentina since November 8, 1990 through October 10, 1999. As from such date, the Company also began providing telephony services in the southern region of Argentina and competing in the previously exclusive northern region.

Telecom provides mainly fixed-line public and mobile telecommunication services, international long-distance service, data transmission and Internet services in Argentina and through its subsidiaries, mobile telecommunications services in Paraguay and international wholesale services in the United States of America.

As a consequence of the merger between Telecom and Cablevisión S.A., Telecom Argentina, as the legal surviving entity after the merger, develops, as from fiscal year 2018, the operations that Cablevisión S.A. developed until December 31, 2017.

The core business of Cablevisión and some of its subsidiaries was the operation of the cable television networks installed in different regions of Argentina and Uruguay and the provision of telecommunication and data transmission services.

Cablevisión exploited cable television services through licenses original granted by the COMFER and telecommunication services through licenses granted by the SC.

Information on the Group's licenses and on the applicable regulatory framework is described under Note 2 to the Company's annual financial statements as of December 31, 2018.

As of March 31, 2019 and December 31, 2018, the following are the most significant subsidiaries included in the consolidation process and the respective direct and indirect equity interests:

Company	Country	Direct and indirect interest in capital stock and votes as of 03.31.2019	Direct and indirect interest in capital stock and votes as of 12.31.2018
Telecom Argentina ⁽¹⁾	Argentina	39.08%	39.08%

(1) See Note 28.

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b) Basis for the Presentation

As required by the CNV, the Company's consolidated financial statements have been prepared in accordance with TR 26 (as amended by TR 29 and TR 43) issued by FACPCE, which adopted the IFRS as issued by the IASB. Those standards were adopted by the CPCECABA.

The Company has opted for the condensed format approach provided by IAS 34 to prepare these consolidated financial statements. To this end, these financial statements were prepared following the same accounting policies as those applied in the Company's most recent annual financial statements, except for the application of IFRS 16 (see Note 1.f). Accordingly, the Company has not included all the information required for a complete set of annual financial statements. Consequently, these consolidated financial statements should be read together with the Company's most recent annual financial statements.

The preparation of these consolidated financial statements in conformity with IFRS requires that the Company's Management make estimates that affect the figures disclosed in the financial statements or their supplementary information. Actual results may differ from these estimates.

These consolidated financial statements (except for the statement of cash flows) were prepared in constant currency (see Note 1.e) on an accrual basis of accounting. Under this basis, the effects of transactions are recognized when they occur. Therefore, income and expenses are recognized at fair value on an accrual basis regardless of when they are received or paid. When significant, the difference between the fair value and the nominal amount of income and expenses is recognized as financial income or expense using the effective interest method.

These interim consolidated financial statements as of March 31, 2019, as well as the separate financial statements as of the same date, were approved by a resolution of the Board of Directors at the meeting held on May 13, 2019.

c) Interim Condensed Consolidated Financial Statements Formats

The interim condensed consolidated financial statement formats adopted are consistent with IAS 1. In particular:

- the consolidated statement of financial position has been prepared by classifying assets and liabilities according to the "current and non-current" criterion. Current assets and liabilities are those that are expected to be realized/settled within twelve months after the period-end;
- the consolidated income statement has been prepared by classifying operating expenses by nature of expense as this form of presentation is considered more appropriate and represents the way that the business of the Group is monitored by Management, and, additionally, is in line with the usual presentation of expenses in the ICT Services industry;
- the consolidated statement of comprehensive income includes the net profit (or loss) for the period as shown in the consolidated income statement and all components of other comprehensive income;
- the consolidated statement of changes in equity has been prepared showing separately (i) net profit (loss) for the period, (ii) other comprehensive income (loss) for the period, and (iii) transactions with shareholders (owners and non-controlling interest);
- the consolidated statement of cash flows has been prepared by presenting cash flows from operating activities according to the "indirect method", as permitted by IAS 7.

These consolidated financial statements contain all the disclosures required under IAS 34. Some additional disclosures required by the LGS and/or by the CNV have been also included, among them, supplementary information required in the last paragraph of Article 1 Chapter III Title IV of the CNV General Resolution No. 622/13. That information is included in the Notes to these consolidated financial statements, as provided by IFRS.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

d) Segment information.

An operating segment is defined as a component of an entity or an Economic Group that engages in business activities, from which it may earn revenues and incur expenses, and whose financial information is available, held separately, and evaluated regularly by the entity's chief operating decision maker. In the case of the Group, the Executive Director is responsible for the control of the resources and the economic-financial performance of the Economic Group.

The Executive Director has a strategic and operational vision of the Group as a single business unit in Argentina in accordance with the current regulatory framework of the convergent ICT Services industry (aggregating in the same segment the activities related to mobile telephony services, Internet services, cable television services and fixed telephony services, services that are subject to the same regulatory framework of ICT services). In the performance of his duties, the Executive Director periodically receives the economic-financial information about the Group (at historical currency as of the transaction date) prepared as a single segment and reviews the evolution of the business as a single cash-generating unit, allocating resources in a unified manner to achieve the Group's goals. Costs are not allocated specifically to a type of service, taking into consideration that the Company has a single payroll and general operating expenses that affect all the services in general (non-specific). In addition, the decisions on CAPEX affect all the different types of services provided by Telecom and not one of them in particular. Based on the above and in accordance with effective accounting principles (IFRS as issued by the IASB), the Group is deemed to have a single segment of operations in Argentina.

The Group also carries out activities abroad (Paraguay, United States of America and Uruguay). The Executive Director does not analyze those operations as a separate segment. He analyzes the consolidated information of the companies in Argentina and abroad (at historical currency as of the transaction date), taking into consideration that the activities of the foreign companies are not significant for the Group. The Group's foreign operations do not meet the aggregation criteria established by the standard to be grouped within the segment "Services rendered in Argentina", and since none of them exceed the quantitative thresholds set out in the standard to qualify as reportable segments, they are grouped under the category "Other foreign segments."

Set out below is the segment information for the three-month periods ended March 31, 2019 and 2018, respectively:

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

□ Consolidated Statement of Income for the three-month period ended March 31, 2019

	Services rendered in Argentina	Services rendered in Argentina - effect of restatement	Services rendered in Argentina restated at constant currency	Other foreign segments	Other foreign segments - effect of restatement	Other foreign segments restated in constant currency	Eliminations	Total
Revenues	40,005	1,758	41,763	2,684	120	2,804	(239)	44,328
Operating Costs (Not Including Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use)	(26,595)	(1,629)	(28,224)	(1,846)	(82)	(1,928)	239	(29,913)
Operating Income before Depreciation and Amortization	13,410	129	13,539	838	38	876	-	14,415
Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.	(5,760)	(3,579)	(9,339)	(590)	(64)	(654)	-	(9,993)
Operating Income	7,650	(3,450)	4,200	248	(26)	222	-	4,422

Equity in Earnings from Associates	103
Financial Expenses on Debts	(4,677)
Other Financial Results, net	4,275
Income before Income Tax Expense	4,123
Income Tax	(3,426)
Net Income	697

Attributable to:

Shareholder of the Controlling Company	(174)
Non-Controlling Interest	871
	697

□ Consolidated Statement of Income as of March 31, 2018

	Services rendered in Argentina	Services rendered in Argentina - effect of restatement	Services rendered in Argentina restated at constant currency	Other foreign segments	Other foreign segments - effect of restatement	Other foreign segments restated in constant currency	Eliminations	Total
Revenues	29,392	17,192	46,584	1,381	879	2,260	(119)	48,725
Operating Costs (Not Including Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use)	(18,070)	(10,851)	(28,921)	(923)	(588)	(1,511)	119	(30,313)
Operating Income before Depreciation and Amortization	11,322	6,341	17,663	458	291	749	-	18,412
Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.	(4,368)	(3,641)	(8,009)	(291)	(186)	(477)	-	(8,486)
Operating Income	6,954	2,700	9,654	167	105	272	-	9,926

Equity in Earnings from Associates	78
Financial Expenses on Debts	(1,425)
Other Financial Results, net	4,075
Income before Income Tax Expense	12,654
Income Tax	(2,441)
Net Income	10,213

Attributable to:

Shareholder of the Controlling Company	3,184
Non-Controlling Interest	7,029
	10,213

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Additional information per geographical area required under IFRS 8 (Operating Segments) is disclosed below (amounts in constant currency):

- i) Sales revenues from customers located in Argentina amounted to \$ 41,525 million and \$ 46,378 million during the three-month periods ended March 31, 2019 and 2018, respectively; while sales revenues from foreign customers amounted to \$ 2,803 million and \$2,347 million during the three-month periods ended March 31, 2019 and 2018, respectively;
- ii) PP&E, goodwill, intangible assets, and rights of use corresponding to the segment "Services rendered in Argentina" amounted to \$352,218 million and \$349,181 million as of March 31, 2019 and December 31, 2018, respectively; while PP&E, goodwill, rights of use assets, and intangible assets corresponding to the segment "Services rendered abroad" amounted to \$ 13,735 million and \$13,175 million as of March 31, 2019 and December 31, 2018, respectively.

e) IAS 29 (Financial Reporting in Hyperinflationary Economies)

IAS 29 sets out the conditions under which an entity shall restate its financial statements at the currency unit current as of the date of the accounting measurement when it operates in a country with an economic environment classified as "hyperinflationary."

To determine the existence of a highly inflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%.

The macroeconomic events that occurred in Argentina during 2018, and the cumulative inflation rate over the last three years as of December 31, 2018, which reached 147.8%, indicate that the qualitative and quantitative factors provided under IAS 29 to consider Argentina as a highly inflationary economy for accounting purposes were fulfilled. On September 29, 2018, the FACPCE issued Resolution No. 539/18, whereby it provided for the need to adjust the financial statements of Argentine companies for accounting periods ending as from July 1, 2018, and set out specific issues regarding the inflation adjustment, such as the indexes to be used. This Resolution was approved on October 10, 2018 by the CPCECABA through Resolution No. 107/2018.

In addition, Law No. 27,468 (published in the Official Gazette on December 4, 2018) amended Section 10 of Law No. 23,928, as amended, providing that the repeal of all the laws and regulations that establish or authorize price indexation, currency restatement, cost variance and any other form of restatement of debts, taxes, prices or fees related to property, works or services, does not apply to financial statements, which remain subject to Section 62 of the General Associations Law, as amended. In addition, it repealed Decree No. 1,269/2002, as amended, and delegated on the Executive Branch, through its oversight agencies, the power to set the date as from which those regulations will come into effect with respect to financial statements.

Therefore, through Resolution No. 777/18 (published in the Official Gazette on December 28, 2018), the CNV, the local regulator, also established the method to restate financial statements in constant currency to be applied by issuers subject to the oversight of the CNV, in accordance with IAS 29 for years/periods ended as from December 31, 2018. Therefore, these financial statements have been restated in constant currency as of March 31, 2019.

Pursuant to Resolution No. 539/18, the inflation rate was based on the Domestic Wholesale Price Index ("IPIM", for its Spanish acronym) until the year 2016, taking into consideration for the months of November and December 2015 the average variation of the IPC index of the City of Buenos Aires. As from January 2017, the Company used the National Consumer Price Index (National IPC, for its Spanish acronym).

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

The following table shows the evolution of those indexes over the last three fiscal years and as of March 31, 2019, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of December 31, 2016</u>	<u>As of December 31, 2017</u>	<u>As of December 31, 2018</u>	<u>As of March 31, 2018</u>	<u>As of March 31, 2019</u>
<u>Variation of Prices</u>					
Annual	34.6%	24.8%	47.6%	25.4%	54.7%
Accumulated over 3 years	102.3%	96.8%	148.0%	107.0%	136.5%
Accumulated over 3 months	n/a	n/a	n/a	6.7%	11.8%

The Company applied the same restatement policies to the items identified in the annual consolidated financial statements as of December 31, 2018. The exchange differences, as well as the interest accrued, are calculated in real terms, excluding the corresponding inflationary effect.

f) IFRS 16 (Leases)

IFRS 16, issued in January 2016, replaces IAS 17, IFRIC 14 and SIC 15 and 27. This standard establishes the criteria for recognition and valuation of leases for lessees and lessors. The changes incorporated have an impact mainly on the lessees' accounting.

IFRS 16, effective as from January 1, 2019, provides that the lessee recognizes a right of use asset and a liability at present value with respect to those contracts that meet the definition of leases under IFRS 16. According to the standard, a lease is a contract that provides the right to control the use of an identified asset for a specified time period. For a company to have control over the use of an identified asset:

- it must have the right to obtain substantially all the economic benefits of the identified assets and
- it must have the right to direct the use of the identified asset.

The application of IFRS 16 generates an increase in assets and liabilities and a decrease in operating costs. It also generates an increase in the balance of amortization of rights of use and financial results as a result of the restatement of lease liabilities. In addition, it changes the presentation of the income statement and the statement of cash flows.

Telecom has several agreements that qualify as leases pursuant to IFRS 16. The following is a summary of those agreements: a) leases of sites (to place antennas); b) leases of buildings (for commercial offices and for other purposes); c) leases of posts (for cable-laying); d) rights of use of dark fiber (lease of fiber optic cables for data transmission), and e) leases of locations (for co-location of antennas).

The initial impact of the implementation of this standard generated an increase in non-current assets due to the initial recognition of the right-of-use assets of \$4,721 million and current and non-current liabilities due to the initial recognition of Lease Liabilities of \$4,146 million. In addition, PP&E asset retirement obligations for \$180 million and irrevocable rights from the use of intangible assets for \$454 million were reclassified as right-of-use assets.

The following is a breakdown of the residual value of right-of-use assets, valued at amortized cost, as of January 1, 2019 and March 31, 2019:

	<u>January 1, 2019</u>	<u>March 31, 2019</u>
Posts	177	175
Buildings and Other	688	816
Sites and Other (1)	3,567	3,836
Lease Payments	289	281
Asset Retirement Obligations	180	175
Irrevocable Rights of Use (IRUs)	454	439
Ending Balances (1)	5,355	5,722

(1) Includes \$581 million and \$523 million corresponding to Núcleo S.A.E. as of January 1, 2019 and March 31, 2019, respectively.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

As a consequence of the application of IFRS 16, the Company recorded in the statement of income for the three-month period ended March 31, 2019 a decrease in operating leases for \$638 million, an increase in the amortization of rights of use for \$617 million (without considering the amortization of irrevocable rights of use and asset retirement obligations) and an increase in financial results derived from the restatement of lease liabilities for \$382 million, generating a net loss of \$361 million before income tax and a deferred income tax expense of \$90 million (a net loss of \$271 million).

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**a) Cash and Cash Equivalents and Investments**

The breakdown of cash and cash equivalents and investments is as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Cash and Cash Equivalents</u>		
Cash and Banks	2,602	2,125
Short-Term Investments	9,301	6,142
Mutual Funds	1,817	67
Total Cash and Cash Equivalents	<u>13,720</u>	<u>8,334</u>
<u>Investments</u>		
<u>Current</u>		
Notes and Bonds at Fair Value	886	813
Notes and Bonds at Amortized Cost	476	580
Mutual Funds	434	2
Other Investments at Amortized Cost	46	137
Total Current Investments	<u>1,842</u>	<u>1,532</u>
<u>Non-Current</u>		
Notes and Bonds at Amortized Cost	3,915	5,172
Investments in Associates (*)	1,051	1,081
Trust "Complejo industrial de Telecomunicaciones 2003"	1	1
Total Non-Current Investments	<u>4,967</u>	<u>6,254</u>

(*) The information on investments in associates is detailed below:

Financial Position Information

Companies	Main business activity	Country	Interest in Capital and Votes	Valuation at	
				3/31/2019	12/31/2018
Ver T.V. S.A. (1)	Cable Television Station	Argentina	49.00	641	661
Teledifusora San Miguel Arcángel S.A. (1) (2) (3)	Cable Television Station	Argentina	50.10	242	253
La Capital Cable S.A. (2)	Closed-Circuit Television	Argentina	50.00	162	160
Other minor investments valued under the equity method				6	7
Total				<u>1,051</u>	<u>1,081</u>

(1) The data about the issuer arise from non-accounting information.

(2) Direct and Indirect Interest.

(3) Even though the Company has an interest of more than 50%, it does not exercise control or significant power in accordance with the requirements of IFRS.

Information on Income

	<u>Three-month periods ended March 31</u>	
	<u>2019</u>	<u>2018</u>
Ver T.V. S.A.	72	46
Teledifusora San Miguel Arcángel S.A.	30	23
La Capital Cable S.A.	1	9
Total	<u>103</u>	<u>78</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

b) Additional Information about the Consolidated Statement of Cash Flows

The Company applies the indirect method to reconcile the net income for the period with the cash flows generated by its operations.

In the preparation of the consolidated statements of cash flows, cash and cash equivalents comprise cash, bank current accounts and highly liquid investments (with originally agreed-upon maturities of three months or less). Bank overdrafts are disclosed in the statement of financial position as financial debts and their cash flows in the consolidated statement of cash flows as borrowing and repayment of loans, because they are part of the ongoing short-term financing structure of the Group.

The breakdown of changes in assets and liabilities is detailed below:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Net Decrease (Increase) of Assets		
Trade Receivables	1,551	(2,220)
Other Receivables	976	905
Inventories	(80)	112
	<u>2,447</u>	<u>(1,203)</u>
Net Increase (Decrease) of Liabilities		
Accounts Payable	(4,700)	(761)
Salaries and Social Security Payables	(689)	(1,717)
Taxes Payable	(2,023)	(2,760)
Other Liabilities and Provisions	(503)	(7,012)
	<u>(7,915)</u>	<u>(12,250)</u>

Main Financing Activities Components

The following table presents the financing activities components:

	<u>March 31,</u> <u>2019</u>	<u>2018</u>
Bank Overdraft	10	175
Notes	1,010	-
Bank Loans	11,377	32,662
Proceeds from Financial Debt	<u>12,397</u>	<u>32,837</u>
Bank Overdraft	(987)	-
Bank Loans	(10,819)	(16,573)
For Acquisition of Equipment	(241)	(427)
Payment of Financial Debt	<u>(12,047)</u>	<u>(17,000)</u>
Bank Overdraft	(96)	-
Interests on Bank Loans and Related Expenses	(1,854)	(954)
NDF, Purchase of Equipment and Other	283	135
Payment of Interest and Related Expenses	<u>(1,667)</u>	<u>(819)</u>

Distribution of dividends of Telecom

- Fiscal Year 2018**

On January 31, 2018, the Board of Directors of Telecom Argentina approved (amounts stated in nominal terms):

- the reversal of \$9,729,418,019 Argentine pesos of the "Reserve for future cash dividends" of Telecom Argentina as of December 31, 2017, and its distribution as cash dividends in two installments: i) \$2,863,000,000 Argentine pesos on February 15, 2018 and ii) \$6,866,418,019 Argentine pesos on April 30, 2018. The Board was vested with the power to make such payment on an earlier date if it deemed it convenient;
- The distribution of \$5,640,728,444 Argentine pesos as interim cash dividends pursuant to Article 224, 2nd paragraph of the General Associations Law, corresponding to the net profit (liquid and realized) of the period between January 1, 2017 and September 30, 2017, as reflected in the Special-Purpose Unconsolidated Financial Statements of Telecom Argentina as of September 30, 2017, which were

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

settled on February 15, 2018; and

- The distribution of \$4,502,777,155 Argentine pesos as distribution of interim cash dividends pursuant to Article 224, 2nd paragraph of the General Associations Law, corresponding to the net profit (liquid and realized) of the period between January 1, 2017 and September 30, 2017, as reflected in the Special-Purpose Unconsolidated Financial Statements of Cablevisión-absorbed by Telecom Argentina-as of September 30, 2017, which were settled on February 15, 2018.

The dividends mentioned in items 2 and 3 were subsequently ratified by the shareholders at the Ordinary General Shareholders' Meeting held on April 25, 2018.

In conclusion, the above-mentioned distribution of dividends for a total of \$19,872,923,618 (approximately \$ 32,229 million in constant currency as of March 31, 2019) was paid on February 15, 2018 for \$13,006,505,599 and on March 21, 2018 for \$6,866,418,019 (approximately \$31,231 million in constant currency as of March 31, 2019).

Payment of Dividends declared by Cablevisión

- Fiscal Year 2018**

On January 8, 2018, Telecom Argentina, as surviving company of Cablevisión paid the dividends declared by Cablevisión on December 18, 2017 for \$4,077,790,056 (approximately \$6.613 million in constant currency as of March 31, 2019).

Distribution of Dividends of Subsidiaries and Associates

- Fiscal Year 2019**

During the first quarter of 2019, the Company collected dividends from Ver T.V. and Teledifusora San Miguel Arcángel for \$78 million (\$71 million corresponded to fiscal year 2016 and \$7 million corresponded to fiscal year 2017), with \$74 million pending collection.

- Fiscal Year 2018**

During the first quarter of 2018, the Company collected dividends from Ver T.V. and Teledifusora San Miguel Arcángel for \$18 million (approximately \$28 million in constant currency as of March 31, 2019). Those dividends corresponded to fiscal year 2016.

Additional Information Required under IAS 7

	<u>Balances as of December 31, 2018</u>	<u>Cash flows</u>	<u>Accrual of interest</u>	<u>Exchange Differences and effect of currency translation and other</u>	<u>Balances as of March 31, 2019</u>
Bank Overdraft	2,544	(977)	-	(129)	1,438
Bank Loans - principal	61,901	558	-	721	63,180
Notes - principal	21,049	1,010	-	(1,594)	20,465
NDF	112	(347)	-	235	-
For Acquisition of Equipment	2,324	(241)	-	26	2,109
Interest Accrued and Related Expenses	9,868	(1,983)	1,943	3,771	13,599
Total Current and Non-Current Financial Debt (Note 11)	97,798	(1,980)	1,943	3,030	100,791

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 3 – TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Current</u>		
Trade Receivables	19,856	22,256
Contract Asset under IFRS 15	79	69
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	102	103
Allowance for Bad Debts	<u>(3,576)</u>	<u>(2,961)</u>
	<u>16,461</u>	<u>19,467</u>
<u>Non-Current</u>		
Trade Receivables	41	42
Contract Asset under IFRS 15	<u>27</u>	<u>26</u>
	<u>68</u>	<u>68</u>
Total Trade Receivables, Net	<u>16,529</u>	<u>19,535</u>

The evolution of the allowance for bad debts is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	<u>(2,961)</u>	<u>(797)</u>
Effect of Adopting New Accounting Policies	-	(274)
Increases - Bad Debts (Note 22)	(1,448)	(972)
Uses of the Allowance and Currency Translation	833	580
Balances at period-end	<u>(3,576)</u>	<u>(1,463)</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 4 – OTHER RECEIVABLES

The breakdown of Other Receivables is as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Current</u>		
Prepaid Expenses	1,407	1,616
Tax Credits	1,345	1,530
Advances to Suppliers	170	115
Accounts pending settlement	93	243
Deposits in Guarantee	26	27
Reimbursement of Expenses	56	122
Financial NDF	449	838
Restricted Funds	49	70
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	143	161
Trade Receivables from Customer Portfolio	81	80
Sundry Receivables	42	47
Other	572	902
Subtotal	4,433	5,751
Allowance for Other Debts	(18)	(17)
	4,415	5,734
<u>Non-Current</u>		
Prepaid Expenses	221	504
Advances to Suppliers	-	79
Tax Credits	692	787
Restricted Funds	110	103
Financial NDF	16	50
Regulatory Receivables (Núcleo)	170	175
Deposits in Guarantee	55	51
Credit of indemnity for Tuves Paraguay acquisition	61	61
Trade Receivables from Customer Portfolio	130	126
Sundry Receivables	296	307
Other	2	3
Subtotal	1,753	2,246
Allowance for Other Debts	(14)	(13)
	1,739	2,233
Total Other Receivables, Net	6,154	7,967

The evolution of the allowance for other current receivables is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	(17)	-
Increases	(1)	-
Balances at period-end	(18)	-

The evolution of the allowance for other non-current receivables is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	(13)	-
Increases	(1)	-
Balances at period-end	(14)	-

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 5 – INVENTORIES

The breakdown of inventories is as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Mobile Handsets and Other	2,505	2,519
Radio Equipment and Other	51	72
Fixed telephones and equipment	15	17
Inventories for construction projects	673	600
Subtotal	3,244	3,208
Allowance for Obsolescence of Inventories	(134)	(149)
	3,110	3,059

The evolution of the allowance for Obsolescence of Inventories is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	(149)	(50)
Increases	-	(8)
Decreases	15	24
Balances at period-end	(134)	(34)

NOTE 6 – GOODWILL

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Business in Argentina	126,730	126,730
Business in Uruguay ⁽¹⁾	797	799
Total	127,527	127,529

(1) The decrease compared to the balance as of January 1, 2018 corresponds to translation differences.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
PP&E before Allowances	168,462	168,673
Allowance for Obsolescence and Impairment of Materials	(446)	(401)
Allowance for Impairment of PP&E	(477)	(372)
	167,539	167,900

The following table shows the changes in PP&E (without considering the allowance for obsolescence and impairment of materials and PP&E):

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	168,673	51,037
Addition under the Merger	-	103,588
Acquisitions	7,744	8,222
Effect of Currency Translation	(50)	136
Retirements and Consumption of Materials	(61)	(197)
Depreciation for the Period	(7,844)	(6,842)
Balances at period-end	168,462	155,944

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

The evolution of the allowance for Obsolescence and Impairment of Materials is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	(401)	(206)
Increases	(45)	(34)
Balances at period-end	(446)	(240)

The evolution of the allowance for Impairment of PP&E is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	(372)	-
Increases	(105)	(59)
Balances at period-end	(477)	(59)

NOTE 8 - INTANGIBLE ASSETS

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Intangible Assets before Allowances	66,981	68,107
Allowance for Impairment	(1,816)	(1,814)
	65,165	66,293

The evolution of intangible assets (without considering the allowance for impairment of intangible assets) is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	68,107	5,003
Addition under the Merger	-	65,984
Acquisitions	298	1,105
Effect of Currency Translation	15	132
Amortization for the Period	(1,439)	(1,526)
Balances at period-end	66,981	70,698

NOTE 9 – RIGHT-OF-USE ASSETS

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Rights of Use from Leases	5,108	-
Irrevocable Rights of Use	439	454
Asset Retirement Obligations	175	180
	5,722	634

The evolution of right-of-use assets is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balances at the beginning of the year:	634	150
Addition under the Merger	-	522
Addition upon adoption of IFRS 16	4,721	-
Acquisitions	1,025	-
Effect of Currency Translation	(21)	-
Amortization for the Period	(637)	(22)
Balances at period-end	5,722	650

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 10 - ACCOUNTS PAYABLE

<u>Current</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Suppliers and Trade Provisions	20,759	24,947
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	537	639
	<u>21,296</u>	<u>25,586</u>
<u>Non-Current</u>		
Suppliers and Trade Provisions	623	637
	<u>623</u>	<u>637</u>
Total Accounts Payable	<u>21,919</u>	<u>26,223</u>

NOTE 11 – FINANCIAL DEBT

The item Financial Debt is composed as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Current</u>		
Bank Overdraft - Principal	1,438	2,544
Banks and other Financial Institutions - principal	11,418	23,605
For Acquisition of Equipment	1,014	1,171
NDF	-	112
Interest Accrued and Related Expenses	5,847	4,117
	<u>19,717</u>	<u>31,549</u>
<u>Non-Current</u>		
Notes - principal	20,465	21,049
Banks and other Financial Institutions - principal	51,762	38,296
For Acquisition of Equipment	1,095	1,153
Interest Accrued and Related Expenses	7,752	5,751
	<u>81,074</u>	<u>66,249</u>
Total Debt	<u>100,791</u>	<u>97,798</u>

NOTE 12 - SALARIES AND SOCIAL SECURITY PAYABLES

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Current</u>		
Salaries, annual supplementary salary, vacations and bonuses	4,115	4,893
Social Security Payables	1,339	1,432
Termination Benefits	375	331
	<u>5,829</u>	<u>6,656</u>
<u>Non-Current</u>		
Termination Benefits	419	388
	<u>419</u>	<u>388</u>
Total Salaries and Social Security Payables	<u>6,248</u>	<u>7,044</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 13 - DEFERRED INCOME TAX ASSETS / LIABILITIES

The breakdown of net deferred income tax assets and liabilities and tax receivables related to tax reimbursement claims is detailed below:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Tax Loss Carryforwards	(343)	(3,204)
Allowance for Bad Debts	(1,744)	(1,034)
Provisions for Lawsuits and Other Contingencies	(1,704)	(1,187)
Inventories	(232)	(171)
Pension and Termination Benefits	(361)	(263)
PP&E and Intangible Assets	32,210	33,297
Dividends from Foreign Companies	390	467
Mobile Handsets Financed Sales	280	189
Other Deferred Tax Liabilities (Assets), Net	167	122
Total Deferred Tax Liabilities, Net	28,663	28,216
Tax Receivables Related to Reimbursement Claims	(818)	(914)
Net Deferred Tax Liability	27,845	27,302
Deferred Tax Assets, Net	(170)	(131)
Deferred Tax Liabilities, Net	28,015	27,433

Deferred tax assets from unused tax loss carryforwards are recognized to the extent their realization is probable against future taxable profits. The Company did not recognize deferred tax assets corresponding to tax loss carryforwards for \$ 7,476 million, which may be offset against future taxable profits. The following is a detail of the expiration of those unrecognized tax loss carryforwards:

Expiration year	Amount of Tax Loss Carryforward
2022	1,237
2023	4,815
2024	1,424

The breakdown of income tax expense included in the consolidated statement of comprehensive income is the following:

	<u>March 31, 2019</u> <u>Income (loss)</u>	<u>March 31, 2018</u> <u>Income (loss)</u>
Tax	(42)	(3,117)
Deferred Tax	(3,384)	676
Income Tax	(3,426)	(2,441)

The following is a detail of the reconciliation between income tax charged to net income and the income tax liability that would result from applying the corresponding tax rate on income before income tax:

	<u>March 31, 2019</u> <u>Income (loss)</u>	<u>March 31, 2018</u> <u>Income (loss)</u>
(Loss) Income before Income Tax Expense	4,123	12,654
Permanent Differences - Equity in Earnings from Associates	(103)	(78)
Permanent Differences - other	(7)	(3)
Restatement of Equity and Goodwill in Constant Currency	8,708	(5,243)
Subtotal	12,721	7,330
Average effective tax rate (*)	25.10%	25.91%
Income Tax at the Average Effective Tax Rate	(3,193)	(1,899)
Tax loss carryforwards not recognized as deferred tax assets	(431)	(526)
Change of Effective Tax Rates	214	-
Income Tax on Dividends from Foreign Companies	(16)	(16)
Income Tax on the Income Statement	(3,426)	(2,441)

(*) Effective tax rate based on average tax rate in the different countries where the Company has operations. The effective rate in Argentina was 30% for the periods presented. In Paraguay, the effective tax rate is 10% plus an additional rate of 5% in case of distribution of dividends for the periods presented, in Uruguay the effective tax rate is 25% for the periods presented, and in the United States of America the effective tax rate is 26.5% for the periods presented.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 14 - TAXES PAYABLE

The breakdown of Taxes Payable is as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Current</u>		
Income Tax (*)	44	18
Other National Taxes	2,591	786
Provincial Taxes	315	1,622
Municipal Taxes	217	201
	<u>3,167</u>	<u>2,627</u>
<u>Non-Current</u>		
Other National Taxes (*)	22	29
	<u>22</u>	<u>29</u>
Total Taxes Payable	<u>3,189</u>	<u>2,656</u>

(*) Corresponding to the Tax Regularization Regime under Law No. 26,476 as of December 31, 2018.

NOTE 15 - LEASE LIABILITIES

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Current	1,616	-
Non-Current	2,785	-
Total Lease Liabilities	<u>4,401</u>	<u>-</u>

NOTE 16 – OTHER LIABILITIES

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<u>Current</u>		
Deferred revenues on prepaid calling cards	833	793
Deferred revenues on connection fees and intern. capacity rental	82	85
Deferred Revenues from Construction Projects	322	360
Customer Loyalty Program	162	193
Directors' and Supervisory Committee Members' Fees	58	53
Other	348	303
	<u>1,805</u>	<u>1,787</u>
<u>Non-Current</u>		
Deferred revenues on connection fees and intern. capacity rental	248	284
Pension Benefits	278	274
Customer Loyalty Program	263	313
Other (*)	418	423
	<u>1,207</u>	<u>1,294</u>
Total Other Liabilities	<u>3,012</u>	<u>3,081</u>

(*) Includes deferred revenues from subsidiaries arising from government grants for the acquisition of PP&E.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 17 – PROVISIONS

The evolution of provisions is as follows:

	Balances as of December 31, 2018	Increases	Reclassifications	Decreases	Balances as of March 31, 2019
		Capital Stock (i)	Decreases		
Current					
Lawsuits and Contingencies	832	105	-	541 (644)	834
Total Current Provisions	832	105	-	541 (644)	834
Non-Current					
Lawsuits and Contingencies	3,323	176	222 (541)	-	3,180
Asset Retirement Obligations	555	-	49 -	(60)	544
Total Non-Current Provisions	3,878	176	271 (541)	(60)	3,724
Total Provisions	4,710	281	271 -	(iii) (704)	4,558

	Balances as of December 31, 2017	Addition under the Merger	Increases	Reclassifications	Decreases	Balances as of March 31, 2018
			On Capital Stock (i)	Interest (ii)		
Current						
Lawsuits and Contingencies	-	670	-	-	307 (338)	639
Total Current Provisions	-	670	-	-	307 (338)	639
Non-Current						
Lawsuits and Contingencies	1,412	2,072	121	124 (307)	-	3,422
Asset Retirement Obligations	389	613	-	35 -	(64)	973
Total Non-Current Provisions	1,801	2,685	121	159 (307)	(64)	4,395
Total Provisions	1,801	3,355	121	159 -	(iv) (402)	5,034

(i) Charged to Other Operating Income and Expense

(ii) Charged to Other Financial Results, net, interest on provisions.

(iii) Includes 218 corresponding to Gain (Loss) on Net Monetary Position.

(iv) Includes 349 corresponding to Gain (Loss) on Net Monetary Position.

NOTE 18 – ADDITIONAL INFORMATION
Classification of asset and liability balances by maturity as of March 31, 2019

Maturities	Cash and Cash Equivalents	Investments	Trade Receivables	Other Receivables	Other Assets	Deferred Income Tax Assets
Total Due	-	-	6,431	15	-	-
Due						
04.2019 through 06.2019	13,720	1,575	8,264	2,304	400	-
07.2019 through 09.2019	-	84	1,002	625	-	-
10.2019 through 12.2019	-	104	561	511	-	-
01.2020 through 03.2020	-	79	203	960	-	-
04.2020 through 03.2021	-	680	68	1,071	-	-
04.2021 through 03.2022	-	1,966	-	151	-	-
04.2022 onwards	-	1,269	-	361	-	-
Without an established term	-	1	-	156	-	170
Total not due	13,720	5,758	10,098	6,139	400	170
Total	13,720	5,758	16,529	6,154	400	170

Interest-Bearing Balances	11,118	5,757	3,187	613	-	-
Non-Interest-Bearing Balances	2,602	1	13,342	5,541	400	170
Total	13,720	5,758	16,529	6,154	400	170

Average Annual Nominal Interest Rate (%)	(a)	(b)	(c)	(d)	-
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(a) 1,817 corresponds to assets stated in pesos that accrue interest at annual rates of 24.17%, and 9,301 corresponds to assets in foreign currency that accrue interest at annual interest rates of between 1.61% and 6.5%.

(b) Assets in foreign currency that accrue interest at annual rates of between 2.87% and 10.88%.

(c) 3,075 accrues interest at 43.8%, 18 accrues interest at an annual rate of 72.09% and 94 accrues interest at an annual rate of 36%.

(d) 66 accrues interest at 2.22%, 207 accrues interest at a rate of 10.5% and 340 accrues interest at a rate of 12.7%.

See our report dated May 13, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Maturities	Accounts Payable	Financial Debt	Salaries and Social Security Payables	Taxes Payable	Lease Liabilities	Other Liabilities	Deferred Income Tax Liabilities
Total Due	1,917	-	-	-	-	-	-
Due							
04.2019 through 06.2019	18,888	4,963	4,046	3,141	872	1,393	-
07.2019 through 09.2019	95	5,090	748	7	255	198	-
10.2019 through 12.2019	343	4,144	713	2	327	105	-
01.2020 through 03.2020	46	5,520	322	17	162	110	-
04.2020 through 03.2021	280	27,960	198	10	1,450	521	-
04.2021 through 03.2022	159	35,785	117	10	393	241	-
04.2022 onwards	184	17,329	104	2	942	444	-
Without an established term	7	-	-	-	-	-	28,015
Total not due	20,002	100,791	6,248	3,189	4,401	3,012	28,015
Total	21,919	100,791	6,248	3,189	4,401	3,012	28,015
Interest-Bearing Balances	-	100,430	-	31	-	-	-
Non-Interest-Bearing Balances	21,919	361	6,248	3,158	4,401	3,012	28,015
Total	21,919	100,791	6,248	3,189	4,401	3,012	28,015
Average Annual Nominal Interest Rate (%)	-	(e)	-	(f)	-	-	-

(e) 1,115 corresponds to liabilities stated in pesos that accrue interest at annual rates of between 20% and 50.25%, and 89,881 corresponds to liabilities in foreign currency that accrue interest at annual interest rates of between 4.06% and 9.28%.

(f) 31 accrues interest at a rate of 18%.

Financial Asset and Liability Balances in Foreign Currency

The following table shows the financial assets and liabilities denominated in foreign currency as of March 31, 2019 and December 31, 2018:

	3/31/2019	12/31/2018
	(in millions of converted Argentine pesos)	
Assets	20,787	20,450
Liabilities	(118,848)	(110,035)
Net Liabilities	(98,061)	(89,585)

In order to reduce this net liability position in foreign currency, Telecom holds, as of March 31, 2019, derivatives for US\$ 114 million. Therefore, the net debt that is not covered by these instruments amounts to approximately US\$ 2,146 as of that date.

Offsetting of Financial Assets and Liabilities.

The information required by the amendment to IFRS 7 as of March 31, 2019 and December 31, 2018 is as follows:

	As of March 31, 2019			
	Trade Receivables	Other Receivables (1)	Accounts Payable	Other Liabilities (1)
Current and non-current assets (liabilities) - Gross value	18,143	1,754	(23,533)	(449)
Offsetting	(1,614)	(43)	1,614	43
Current and Non-Current Assets (Liabilities) – Book value	16,529	1,711	(21,919)	(406)
	As of December 31, 2018			
	Trade Receivables	Other Receivables (1)	Accounts Payable	Other Liabilities (1)
Current and non-current assets (liabilities) - Gross value	20,934	2,750	(27,622)	(492)
Offsetting	(1,399)	(35)	1,399	35
Current and Non-Current Assets (Liabilities) – Book value	19,535	2,715	(26,223)	(457)

(1) Includes only financial assets and liabilities that are within the scope of IFRS 7.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Telecom and its subsidiaries offset the financial assets and liabilities to the extent that such setoff is contractually permitted and provided that they have the intention to make such setoff, in accordance with requirements established in IAS 32. The main financial assets and liabilities that are offset correspond to transactions with other national and foreign operators (including interconnection, international settlement charges and Roaming). Offsetting is a standard practice in the telecommunications industry at international level that Telecom and its subsidiaries apply regularly. Offsetting is also applied to transactions with agents.

NOTE 19 – PURCHASE COMMITMENTS

As of March 31, 2019, there are outstanding purchase orders with local and foreign providers for the supply of switching equipment, inventories, external wiring works, network infrastructure, and other goods and services amounting in the aggregate to approximately \$46,663 million (of which \$8,968 million corresponds to PP&E acquisition commitments).

NOTE 20 - CAPITAL STOCK**20.1 – Cablevisión Holding**

The Company's capital stock as of May 1, 2017, the date on which it started its operations, was set at \$ 180,642,580, represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 117,077,867 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 15,811,092 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

On March 21, 2017, the Company made a filing with the CNV in order to request admission to the public offering regime. On May 29, 2017, the Company requested the BCBA the listing of its Class B common shares.

On August 10, 2017, the CNV approved the prospectus for admission to the public offering regime filed by Cablevisión Holding and, consequently, the Company fulfilled the conditions detailed in CNV Resolution No. 18,818. On August 11, 2017, the BCBA notified the Company of its admission to the public offering regime.

Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company holds 1,578 treasury shares as of December 31, 2018.

On September 26, 2017, the Company's Board of Directors approved, pursuant to Section five of the By-Laws, the conversion request submitted by the shareholder GS Unidos LLC of 4,028,215 Class C non-endorsable, registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share. Pursuant to the By-Laws, the Company informed the CNV and the BCBA of the conversion and: (i) on October 5, 2017, the CNV authorized, through Resolution No. DI 20178APN-G #CNV, the public transfer by way of conversion of 4,028,215 Class C non-endorsable, registered common shares and, (ii) on October 6, 2017, the BCBA informed the Company of the transfer of the authorization for the

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

listing of 4,028,215 non-endorsable registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share.

On February 16, 2018, the United Kingdom Listing Authority ("UKLA") approved the prospectus related to the listing of the Company's Class B shares in the form of global depositary shares (GDSs) to be traded on the London Stock Exchange. Those GDSs were admitted to the official list of the UKLA on February 21, 2018.

The Company's capital stock as of March 31, 2019 is of \$ 180,642,580 and is represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 121,106,082 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 11,782,877 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

20.2 – Telecom Argentina**(a) Capital Stock**

As of March 31, 2019, the total capital stock of Telecom Argentina amounted to \$ 2,168,909,384, represented by the same number of common book-entry shares with nominal value of \$1, of which 2,153,688,011 are entitled to one vote per share, given that 15,221,373 are treasury shares that were acquired by Telecom.

All of the Class B Shares and Class C Shares and 340,994,852 Class A Shares of Telecom Argentina have been authorized for public offering by the CNV and the SEC. Class B Shares are listed and traded on the leading companies panel of the BYMA and on the NYSE.

Each American Depositary Share (ADS) represents 5 Class B shares of Telecom and is traded on the NYSE under the ticker symbol TEO.

NOTE 21 – REVENUES

Revenues consist of the following:

	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>
Mobile Services	14,813	17,443
Internet Services	10,152	10,801
Cable Television Services	9,575	10,536
Fixed Telephony and Data Services	6,865	6,208
Other Services	116	231
Subtotal Service Revenues	<u>41,521</u>	<u>45,219</u>
Sale of Handsets	2,807	3,506
Total Revenues	<u>44,328</u>	<u>48,725</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

NOTE 22 – OPERATING EXPENSES

Operating expenses disclosed by nature of expense amounted to \$ 39,906 million and \$ 38,798 for the three-month periods ended March 31, 2019 and 2018.

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	<u>Income (loss)</u>	<u>Income (loss)</u>
<u>Employee benefit expenses and severance payments</u>		
Salaries, Social Security Payables and Bonuses	(7,852)	(7,825)
Severance Payments	(760)	(319)
Other Labor Costs	(175)	(153)
	<u>(8,787)</u>	<u>(8,297)</u>
<u>Fees for Services, Maintenance, Materials and Supplies</u>		
Maintenance and Materials	(2,652)	(2,262)
Fees for services	(1,863)	(2,001)
Directors' and Supervisory Committee Members' Fees	(27)	(32)
	<u>(4,542)</u>	<u>(4,295)</u>
<u>Taxes and Fees with the Regulatory Authority</u>		
Turnover Tax	(1,611)	(2,196)
Municipal Taxes	(471)	(589)
Other Taxes and Charges	(1,401)	(1,125)
	<u>(3,483)</u>	<u>(3,910)</u>
<u>Cost of Equipment and Handsets</u>		
Inventory Balances at the beginning of the year	(3,223)	(190)
Plus:		
Addition under the Merger	-	(3,125)
Purchase of Equipment	(2,260)	(3,514)
Other	47	(160)
Less:		
Inventory Balances at period-end	3,254	4,370
	<u>(2,182)</u>	<u>(2,619)</u>
<u>Other Operating Income and Expense</u>		
Lawsuits and Contingencies	(281)	(121)
Rentals and Internet Capacity	(914)	(845)
Other	(880)	(1,453)
	<u>(2,075)</u>	<u>(2,419)</u>
<u>Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.</u>		
Depreciation of PP&E	(7,844)	(6,842)
Amortization of Intangible Assets	(1,439)	(1,526)
Amortization of Rights of Use	(637)	(22)
Impairment of PP&E	(73)	(96)
	<u>(9,993)</u>	<u>(8,486)</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Operating Expenses disclosed by function are as follows:

Item	Cost of services provided	Selling Expenses	Administrative Expenses	Total as of March 31, 2019	Total as of March 31, 2018
Employee benefit expenses and severance payments	(4,942)	(1,459)	(2,386)	(8,787)	(8,297)
Interconnection and Transmission Costs	(1,398)	-	(68)	(1,466)	(1,507)
Fees for Services, Maintenance, Materials and Supplies	(2,390)	(822)	(1,330)	(4,542)	(4,295)
Taxes and Fees with the Regulatory Authority	(3,417)	(30)	(36)	(3,483)	(3,910)
Commissions and Advertising	(59)	(390)	(2,069)	(2,518)	(2,880)
Cost of Equipment and Handsets	(2,182)	-	-	(2,182)	(2,619)
Programming and Content Costs	(3,407)	-	(5)	(3,412)	(3,413)
Bad Debt Expenses	-	-	(1,448)	(1,448)	(972)
Other Operating Income and Expense	(1,283)	(191)	(601)	(2,075)	(2,419)
Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.	(7,968)	(674)	(1,351)	(9,993)	(8,486)
Total as of March 31, 2019	(27,046)	(3,566)	(9,294)	(39,906)	
Total as of March 31, 2018	(25,959)	(3,687)	(9,152)		(38,798)

NOTE 23 – FINANCIAL INCOME AND EXPENSE

	<u>March 31, 2019</u> <u>Income (loss)</u>	<u>March 31, 2018</u> <u>Income (loss)</u>
Financial Debt Interest Expense (*)	(1,872)	(936)
Exchange Differences on Financial Debt (**)	(2,805)	(489)
Total Financial Expenses on Debt	(4,677)	(1,425)
Interests	523	445
Taxes and Bank Expenses	(398)	(526)
Other Exchange Differences	686	(287)
Financial Discounts on Assets, debt and Other	(35)	2
Results from Operations with Notes and Bonds	56	82
Interest on Allowances	(271)	(158)
Interest on Pension Benefits	(28)	(23)
Gain (Loss) on Net Monetary Position	3,751	4,535
Other	(9)	5
Total Other Financial Income and Expense, net	4,275	4,075
Total Financial Income and Expense, net	(402)	2,650

(*) Includes 17 and (12) of foreign currency exchange gains (losses), net generated by NDF for the three-month periods ended March 31, 2019 and 2018, respectively. It also includes 56 and 60 for the capitalization of interest from works-in-progress for the three-month periods ended March 31, 2019 and 2018, respectively.

(**) Includes 157 and 69 of foreign currency exchange gains, net generated by NDF for the three-month periods ended March 31, 2019 and 2018, respectively.

NOTE 24 – EARNINGS PER SHARE

The following table shows the net income and the weighted average of the number of common shares used in the calculation of basic earnings per share:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Net Income used in the Calculation of Basic Earnings per Share (loss / gain):		
from Continuing Operations (in millions of Argentine pesos)	(174)	3,184
	(174)	3,184
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share	180,641,002	180,641,002
Earnings per Share (in pesos)	(0.96)	17.63

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

The weighted average of outstanding shares for the three-month periods ended March 31, 2019 and 2018 was 180,641,002. Since no debt securities convertible into shares were recorded, the same weighted average should be used for the calculation of diluted earnings per share.

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Basic and Diluted Earnings per Share	(0.96)	17.63
Total Earnings per Share	(0.96)	17.63

NOTE 25 - BALANCES AND TRANSACTIONS WITH COMPANIES UNDER ARTICLE 33 - LAW No. 19,550 AND RELATED PARTIES
a) Cablevisión Holding S.A.
i. Related Parties

For the purposes of these interim condensed consolidated financial statements, related parties are individuals or legal entities that are related (under IAS 24) to Cablevisión Holding, except for companies under Article 33 of the LGS.

For the periods presented, the Group has not conducted any transactions with Key Managers and/or persons related to them, except as set forth under e), below.

ii. Balances with Companies under Article 33 of General Associations Law No. 19,550, and related parties
• Companies under Art. 33 of the LGS - Associates

CURRENT ASSETS	Type of related party	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Other Receivables ⁽¹⁾			
La Capital Cable S.A.	Associate	69	87
Teledifusora San Miguel Arcángel S.A.	Associate	22	21
Ver TV S.A.	Associate	<u>52</u>	<u>53</u>
		<u>143</u>	<u>161</u>
CURRENT LIABILITIES			
Accounts Payable			
Televisora Privada del Oeste S.A. ⁽²⁾	Associate	-	3
		<u>-</u>	<u>3</u>

⁽¹⁾ Includes 124 and 129 as of March 31, 2019 and December 31, 2018, respectively, corresponding to dividends receivable.

⁽²⁾ Associate through Pem.

• Related Parties

CURRENT ASSETS	Type of related party	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Trade Receivables			
Other Related Parties	Related company	<u>102</u>	<u>103</u>
		<u>102</u>	<u>103</u>
CURRENT LIABILITIES			
Accounts Payable			
Other Related Parties	Related company	<u>537</u>	<u>636</u>
		<u>537</u>	<u>636</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

iii. Transactions with Companies under Article 33 of General Associations Law No. 19,550, and related parties**• Companies under Art. 33 of the LGS - Associates**

	<u>Transaction</u>	<u>Type of related party</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
			<u>Income (loss)</u> <u>Sales and Other</u> <u>Revenues</u>	<u>Income (loss)</u> <u>Sales and Other</u> <u>Revenues</u>
La Capital Cable S.A.	Sales of services	Associate	3	3
La Capital Cable S.A.	Other Sales	Associate	8	5
			<u>11</u>	<u>8</u>
			<u>Operating Costs</u>	
La Capital Cable S.A.	Fees for services	Associate	(7)	(6)
			<u>(7)</u>	<u>(6)</u>

• Related Parties

	<u>Transaction</u>	<u>Type of related party</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
			<u>Income (loss)</u> <u>Sales and Other</u> <u>Revenues</u>	<u>Income (loss)</u> <u>Sales and Other</u> <u>Revenues</u>
Other Related Parties	Sales of services	Related company	28	27
			<u>28</u>	<u>27</u>
			<u>Operating Costs</u>	<u>Operating Costs</u>
Other Related Parties	Programming Costs	Related company	(389)	(1,236)
Other Related Parties	Publishing and	Related company		
Other Related Parties	distribution of magazines		(125)	(120)
Other Related Parties	Advisory Services	Related company	(43)	(94)
Other Related Parties	Purchase of Advertising	Related company	(50)	(62)
Other Related Parties	Other purchases and	Related company		
	commissions		(11)	(76)
			<u>(618)</u>	<u>(1,588)</u>

These transactions were carried out by the Group under the same conditions as if they had been carried out with an independent third party.

NOTE 26 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS**1. Cablevisión Holding**

The Company's bylaws provide that retained earnings shall be appropriated as follows: (i) 5% to the Company's legal reserve until such reserve equals 20% of the Company's capital stock; and (ii) the balance, in whole or in part, to the payment of the fees of the members of the Board of Directors and the Supervisory Committee, to dividends on common shares, or reserve accounts, or as otherwise determined by the Shareholders, among other situations.

At the General Ordinary Shareholders' Meeting held on April 25, 2019, the shareholders of the Company decided, among other things, to instruct the Board of Directors to call an Extraordinary Shareholders' Meeting for the sole purpose of considering the appropriation of retained earnings as of December 31, 2018 for \$ 58,339 million. To this end, the Board of Directors called a General Extraordinary Shareholders' Meeting to be held on May 31, 2019. The Board of Directors proposes to the Shareholders to appropriate retained earnings as detailed below, and the Shareholders shall decide on the amount to be distributed pursuant to CNV Resolution No. 777/18: i) to increase the Legal Reserve -an amount of no less than 5% of net income for the year and adjustments until reaching 20% of the capital stock plus the balance of the Inflation Adjustment on Capital Stock account-, \$688 million; ii) to increase the Voluntary Reserve for Financial Obligations, \$9,614 million; iii) to increase the Reserve for Illiquid Results, \$48,037 million. In addition, the Board of Directors proposes to the Shareholders the full reversal of the Voluntary Reserve for Future Dividends, the Reserve to Ensure the Liquidity of the Company and its Subsidiaries and the

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Voluntary Reserve to Provide Financial Aid to subsidiaries and in connection with the Broadcasting Law, in order to reallocate those amounts to the Voluntary Reserve for Illiquid Results.

2. Telecom Argentina

At the Unanimous Ordinary and Extraordinary Shareholders' Meeting held on April 24, 2019, the shareholders of Telecom decided, among other things:

- (a) To approve the Board of Directors' proposal to appropriate Retained Earnings as of December 31, 2018 (\$30,102,883,523) stated in constant currency as of March 31, 2019 using the National Consumer Price Index (National IPC, for its Spanish acronym). (i) \$297,363,703 to the Legal Reserve; (ii) \$6,300,000,000 to Cash Dividends; (iii) \$7,045,307,602 to the "Voluntary reserve for future cash dividends"; and (iv) \$16,460,212,218 to the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level";
- (b) To approve cash dividends for a total of \$6,300,000,000 (equivalent to \$ 2.925214779 per outstanding share of nominal value \$1 as of that date), which were made available to shareholders on May 7, 2019; and
- (c) To grant broad powers to the Board of Directors of Telecom to decide, based on the evolution of the business, on the total or partial reversal, in one or more times, of up to \$7,045,307,602 of the "Voluntary Reserve for Future Cash Dividends" and its distribution to the shareholders as cash dividends. The Board may exercise these powers until December 31, 2019.

NOTE 27 – DEVELOPMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

a) Syndicated Loan

On February 11, 2019, Telecom settled the outstanding balance of US\$ 100 million it owed under the syndicated loan agreement. On February 2, 2018, Telecom entered into a syndicated loan agreement with Citibank, NA, HSBC México, S.A., Institución De Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, JPMorgan Chase Bank, NA and Banco Santander, S.A., in their capacity as lenders, Citigroup Global Markets Inc, HSBC México, S.A., Institución De Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, JPMorgan Chase Bank, NA and Santander Investment Securities Inc., as arrangers, Citibank NA as an administrative agent, and the branch of Citibank NA in Argentina, as the local collateral agent, for an aggregate amount of US\$ 1,000 million.

b) Disbursements under the Loan with the IFC

On March 18, 2019, Telecom received a US\$ 290 million disbursement under the loan agreement it had executed with the IFC for a total amount of up to US\$ 450 million on March 4, 2019 (US\$ 285.5 million was credited because debt issuance expenses in the amount US\$ 4.5 million were deducted from the initial disbursement). The US\$290 million disbursement is divided in two Tranches: a) a US\$ 160 million disbursement, which accrues interest payable in arrears on a semi-annual basis at an annual rate equal to LIBOR plus 4.85 percentage points payable in 8 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2024; and b) a US\$130 million disbursement that accrues interest payable in arrears on a semi-annual basis at an annual rate equal to LIBOR plus 4.60 percentage points payable in 6 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2023.

On April 25, 2019, Telecom received an additional disbursement for a total of US\$ 20 million that accrues interest payable in arrears on a semi-annual basis at an annual rate equal to LIBOR plus 4.85 percentage points payable in 8 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2024.

The outstanding balance owed as of March 31, 2019 amounts to \$12,365 million.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

c) Prepayment of the Term Loan

On October 17, 2018, Telecom requested a US\$ 500 million disbursement under the loan agreement it had executed with Citibank, NA, HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, JPMorgan Chase Bank, NA and Banco Santander, S.A., as lenders, Citibank, NA, HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, JPMorgan Chase Bank, NA and Banco Santander, S.A., as arrangers, Citibank NA as an administrative agent, and the branch of Citibank NA established in Argentina, as the local collateral agent, for a term of 48 months.

On March 25, 2019, Telecom made a partial prepayment under the loan in the amount of US\$101.4 million (US\$ 100 million principal amount and US\$ 1.4 million corresponding to interest).

d) Notes issued by Núcleo

At the Extraordinary Shareholders' Meeting held on April 24, 2018, the shareholders of Núcleo amended articles 3, 7, 9 and 10 of its Bylaws in order to conform to the securities market's regulations. Upon registering the amendment of its bylaws with the Public Registry of Commerce, Núcleo became a *Sociedad Anónima Emisora* (Issuing Corporation, SAE, for its Spanish acronym).

On January 4, 2019, Núcleo requested the Paraguayan National Securities Commission and the Bolsa de Valores y Productos de Asunción S.A. the registration of the Global Notes Program which provides for the issuance of notes for up to Gs.500,000,000,000 (approximately \$3,200 million) under the conditions to be established by the Board of Directors for each series.

On February 5, 2019, the Paraguayan National Securities Commission authorized said Program through Resolution No. 11E/19. Under such Program, Núcleo issued two Series of Notes with the following characteristics:

Series I

Issuance Date: March 12, 2019.

Amount Issued: Gs. 120,000,000,000 (approximately \$ 841 million).

Maturity Date: 60 months from the Issuance Date (March 12, 2019).

Repayment: Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity (March 11, 2024).

Interest Rate: the notes accrue interest as from the Issuance Date until the Maturity Date, at an annual fixed rate of 9.00 %.

Interest Payment Date: Interest will be paid quarterly in arrears as from the Issuance Date. The last interest payment date will be the Maturity Date.

Series II

Issuance Date: March 28, 2019.

Amount Issued: Gs. 30,000,000,000 (approximately \$ 210 million).

Maturity Date: 60 months from the Issuance Date (March 28, 2019).

Repayment: Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity (March 26, 2024).

Interest Rate: the notes accrue interest as from the Issuance Date until the Maturity Date, at an annual fixed rate of 9.00 %.

Interest Payment Date: Interest will be paid quarterly in arrears as from the Issuance Date. The last interest payment date will be the Maturity Date.

The outstanding balance as of March 31, 2019 amounts to \$1,055 million.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

e) Loan executed by Cablevisión Holding

In connection with the Loan executed by the Company mentioned in note 13.2 to the annual consolidated financial statements as of December 31, 2018, on March 21, 2019, the Company acknowledged the acceptance by the Lenders, the Arrangers, Collateral Agents and the Administrative Agent of the Amendment Offer (the "Amendment Offer") delivered by the Company, in order to amend certain provisions of the Loan granted by the Lenders on September 27, 2017. The main terms of the Amendment Offer are the following:

- **Maturity Date:** the date that is 18 months from the Amendment Effective Date (March 25, 2019).
- **Applicable Margin:** the Loan shall accrue interest on any outstanding amounts until their actual payment at a rate equal to "LIBOR", plus an applicable margin equal to (i) 5.75% per annum for the period from the Amendment Effective Date to the date that is six months thereafter, (ii) 6.50% per annum for the period from, but excluding, the date that is six months following the Amendment Effective Date and the date that is the first anniversary of the Amendment Effective Date, and (iii) 7.25% per annum for the period from, but excluding, the first anniversary of the Amendment Effective Date to and including the Maturity Date.
- **Permitted Debt:** The Company shall not create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to, any Debt (other than the Obligations), except the following (collectively, the "Permitted Debt"): (a) Debt in an amount not exceeding US\$ 50,000,000 outstanding at any time; and (b) Debt in an amount necessary to fund, in whole or in part, any Tender Offer or Additional Acquisition of Telecom shares; provided that such Debt shall (i) be subordinated in right of payment to the payment in full of the Obligations, (ii) be unsecured or, if secured, the collateral for such Tender Offer/Additional Acquisition Debt will consist solely of new equity interests in Cablevisión acquired with the proceeds of such Tender Offer/Additional Acquisition Debt; (iii) have a maturity date falling at least six (6) months after the Maturity Date, (iv) provide that no interest or scheduled amortization payments of principal is payable in cash while any of the Obligations is outstanding.
- **Collateralization:** During the effectiveness of the Loan, the Company undertakes to create and maintain collateral. For such purpose, the Borrower shall pledge a number of common shares of Telecom Argentina it holds directly or indirectly that shall result from the application of the Collateralization Ratio ("Collateralization Ratio") of 2,5:1,00. This Ratio shall be increased to 2,75:1,00 as long as Cablevisión Holding maintains any Permitted Debt described under paragraph (b), above.

As of the date of these consolidated financial statements, the lenders maintain a pledge on 178,597,678 shares of Telecom Argentina held by the Company.

During the period covered by these consolidated financial statements, the Company complied with all covenants. See Note 29.7.

NOTE 28 - MANDATORY PUBLIC TENDER OFFER ("PTO") DUE TO CHANGE OF CONTROL

As described under Note 4.a) to the Company's consolidated financial statements as of December 31, 2018, on January 1, 2018, the Company became the direct and indirect holder of 841,666,658 Class D shares of Telecom Argentina, representing 39.08% of the outstanding capital stock of said company. In addition, all the provisions of the agreement, described under said note, came into effect. Said agreement entitles the Company to appoint the majority of the members of Telecom's Board of Directors. Therefore, the Company is the controlling shareholder of Telecom.

Accordingly, and pursuant to Law No. 26,831 (as amended by Law No. 27,440, the "Capital Markets Law") and the rules of the Argentine Securities Commission (CNV, for its Spanish acronym), and together with the Capital Markets Law, the "PTO Rules"), on June 21, 2018, the Company's Board of Directors decided to promote and make a mandatory public tender offer ("PTO") due to change of control for all the Class B common shares listed on Bolsas y Mercados Argentinos S.A. ("BYMA", for its Spanish acronym), (including

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

the Class C common shares issued by Telecom which were converted into Class B common shares within the term provided) issued by Telecom.

Notwithstanding the fact that Fintech Telecom, LLC is not obligated to promote, make or launch a PTO pursuant to the PTO Rules and that it has not taken part in the determination or formulation of any of the terms and conditions of the PTO, as provided under the above-mentioned agreement, Fintech Telecom LLC has undertaken with regard to the Company to pay and acquire 50% of the shares that will be tendered under the PTO (notwithstanding the Company's right to acquire by itself the first 43,073,760 shares).

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company is of \$ 110.85 per Share (less any cash dividend per Share to be paid by Telecom from the announcement date to the date the price of the PTO is paid and other expenses, such as transfer expenses, rights, fees, commissions, taxes, duties or contributions) (the "PTO Price"). The Company has obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price shall be payable in Pesos in Argentina no later than 5 business days following the expiration of the Offer Reception Period.

Pursuant to Article 3, paragraph c), Chapter II, Title III of CNV Rules, on July 5, 2018, the Board of Directors of Telecom Argentina issued an opinion stating that the PTO Price had been set in accordance with the mandatory terms provided under applicable laws, in conformity with item I of Article 88 of the Capital Markets Law, and issued the Board of Directors' Report provided under such Rules.

Subsequent to the announcement of the PTO by the Company, the CNV made certain objections to the Price of the PTO and served notice on the Company of the reports issued by its technical areas, which were answered in due time and form by the Company. Due to the imminent possibility that the CNV would reject the PTO and order the Company to make the PTO at the price assessed by the CNV within a mandatory term or, if the Company did not comply with that order, due to the possibility that the CNV would apply the sanctions provided under Article 89 of the Capital Markets Law, the Company requested an injunction ordering the CNV to refrain from resolving and deciding on the authorization of the PTO submitted and formulated by the Company until a final judgment is rendered on the merits of the Company's claim, which seeks a decision by the court declaring that the Company submitted and formulated the PTO in conformity with applicable law.

On September 21, 2018, the Company was served notice of the decision rendered on September 20, 2018 in re "Cablevisión Holding S.A. v. Comisión Nacional de Valores on Injunctions" File No. 7,998/2018, pending before the Federal Civil and Commercial Court No. 3, whereby, as a preliminary injunction, the CNV was ordered to refrain from resolving and deciding on the authorization of the PTO submitted and formulated by the Company on June 21, 2018, until the court renders a final decision on the injunction, once the requirements of article 4 of Law No. 26,854 have been fulfilled.

As required under the applicable law, the CNV filed a response and submitted the report provided under Article 4 of Law No. 26,854. The CNV also filed a subsidiary appeal against the decision rendered on September 20, 2018 that granted the preliminary injunction requested by the Company.

On October 8, 2018, the Company filed the substantive claim on which the request for a preliminary injunction was grounded: a request for a declaratory judgment declaring that the Company submitted and formulated the PTO in conformity with applicable regulations and fully in accordance with effective laws.

On November 28, 2018, the Company was served with the decision rendered on November 27, 2018 in re "Cablevisión Holding S.A. v. Comisión Nacional de Valores on Injunctions" File 7,998/2018, pending before Federal Civil and Commercial Court No. 3, whereby the Court accepted (as a requirement of admissibility) the guarantee posted by the Company pursuant to the decision of November 1, 2018, which had granted the injunction requested by the Company. Pursuant to the Court's injunction, the CNV was instructed to refrain from issuing any decision on the authorization of the PTO submitted and formulated by the Company on June 21, 2018, for a period of six months.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

As of the date of these consolidated financial statements, the decision rendered on November 1, 2018 that granted the injunction is not yet final. See Note 29.6.

NOTE 29 – SUBSEQUENT EVENTS

1. Reserves, Accumulated Income and Dividends

Note 26 to these financial statements describes the events that took place subsequent to the closing of the period in connection with reserves, accumulated income and dividends.

2. Resolution No. 50/10 et seq. issued by the Secretaría de Comercio Interior de la Nación (Secretariat of Domestic Trade or “SCI”)

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*). Cable television operators must adjust such amount semi-annually and inform the result of such adjustment to said Office.

Telecom believes that Resolution No. 50/10 is arbitrary and bluntly disregards its freedom to contract, which is part of the right to freedom of industry and trade. Therefore, it has filed the pertinent administrative claims requesting the suspension of the Resolution's effects and its nullification. Notwithstanding the foregoing, the application of the formula established by Resolution No. 50/10 to calculate the monthly subscription prices is impracticable given the vagueness of the variables provided.

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 set forth the parameters to be applied to the services rendered by Cablevisión (now Telecom, as a result of the merger) to its subscribers. Telecom believes that Resolution No. 36/10 is illegal and arbitrary, since it is grounded on Resolution No. 50/10, which is absolutely null and void.

In accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata 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. The National Government filed an appeal against the decision issued by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed. The National Government filed a direct appeal with the Supreme Court, which has also been dismissed.

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. Subsequently, the SCI issued Resolutions Nos. 65/11, 92/11, 123/11, 141/11, 10/12, 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. Telecom believes 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 (including Telecom and its subsidiaries), and also given the fact that Resolutions No. 36/11, 65/11, 92/11, 123/11, 141/11, 10/12, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14 merely apply Resolution No. 50/10, Telecom continues to be protected by said preliminary injunction.

On September 23, 2014, the Supreme Court of Argentina rendered a decision in re "Municipality of Berazategui v. Cablevisión" and ordered that the cases related to these resolutions continue under the jurisdiction of the Federal Court of Mar del Plata that had issued the decision on the collective action in

See our report dated May 13, 2019
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Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

favor of ATVC. Currently, all the claims related to this matter are pending before the Federal Courts of Mar del Plata.

In April 2019, La Capital Cable S.A. was served with the decision rendered by the Federal Court of Mar del Plata No. 2, whereby said court granted the claim brought by La Capital Cable S.A. to which the ATVC subscribed. The referred resolution declared sections 2.a and 2.c of the Law No. 20,680 in its original wording unconstitutional (prior to the amendment introduced by Law No. 26,991), as well as Resolution No. 50/2010, and, as a result, the following Resolutions were also declared unconstitutional: 36/11, 65/11, 92/11, 123/11, 141/11, 10/12, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14. The Resolutions that set the price, initially applicable to the cable television industry (Resolution No. 50/10) and subsequently only to Cablevisión (Resolution No. 36 et seq.), were grounded on the previous wording of the supply law and its regulations. In its defense, Telecom had argued that the supply law was not applicable and, ultimately, the articles of that law and the resolutions were declared unconstitutional. The declaration of unconstitutionality entails that the Secretariat of Domestic Trade cannot ground its Resolutions on those articles. Therefore, they are not applicable to the legal entities that were a part in the lawsuit (La Capital Cable and the companies represented by ATVC).

Even though the decision rendered by the Federal Court that declared the unconstitutionality is not yet final because the National Government filed an appeal, which resolution is uncertain, based on the advice of its legal counsel, the Company's Management believes to have strong arguments for its defense.

3. Voting Trust

As mentioned in Note 4.a) to the annual consolidated financial statements of the Company as of December 31, 2018, on April 15, 2019, the Voting Trust was formalized. Under said Voting Trust, Fintech Telecom LLC and Cablevisión Holding (i) each contribute 235,177,350 shares of Telecom to a voting trust (the "Voting Trust") which, upon incorporating the shares in Telecom Argentina held by Cablevisión Holding, exceed fifty percent (50%) of the outstanding shares after the Merger became effective, and (ii) each appointed a co-trustee who will vote the shares under the terms of the Voting Trust executed by certain parties of the [Shareholders'] Agreement. The shares under the Voting Trust shall be voted as per the instructions of the co-trustee appointed by Cablevisión Holding, except in the case of certain issues subject to veto under the Shareholders' Agreement, in which case the co-trustee of Fintech Telecom LLC will determine the vote with respect to the shares under the Voting Trust.

4. Guaranteed Export Credit Facility

On May 7, 2019, Telecom submitted a proposal for an export credit facility for an amount up to US\$ 96 million to the following entities: (i) Banco Santander, S.A. and JPMorgan Chase Bank, N.A., London Branch, as initial lenders, mandated lead arrangers and residual risk guarantors, (ii) JPMorgan Chase Bank, N.A., London Branch, as facility agent and as the ECA bank (iii) Banco Santander, S.A. as documentation bank and (iv) Banco Santander Río S.A. as onshore custody agent, which was accepted on the same date.

The Facility will be guaranteed by Finnvera plc, the official export credit agency of Finland, which will grant a guarantee in favor of the lenders subject to certain terms and conditions.

The financing consists of an "A" tranche and a "B" tranche. The principal amount disbursed will accrue interest at an annual rate equivalent to LIBOR plus 1.04 percentage points payable semi-annually in 14 equal and consecutive semi-annual installments.

The funds will be used to finance up to 85% of the value of certain imported goods and services, the value of certain national goods and services, and the total payment of the applicable premium payable to Finnvera equivalent to 7.82% of the total amount committed by the lenders under the credit facility.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

5. Decision of the Shareholders of Núcleo at the General Ordinary Shareholders' Meeting

At the General Ordinary Shareholders' Meeting held on April 23, 2019, the shareholders of Núcleo decided to distribute dividends for ¢ 90,000 million (equivalent to approximately \$630 million), which will be made available during May 2019.

6. Public Tender Offer ("PTO") due to Change of Control

On May 8, 2019, in connection with the PTO detailed in Note 28, the Company was served notice of a resolution rendered on May 6, 2019 by the Federal Civil and Commercial Court No. 3, whereby the Court ordered to extend the injunction for three months, counted as from its original expiration date, with the scope provided.

7. Partial Prepayment of the Loan Executed by Cablevisión Holding

On May 13, 2019, the Company made a partial prepayment of principal in the amount of US\$ 29.2 million, plus interest, pursuant to the terms and conditions of the loan, which sets out that the collections of dividends by the Company shall be applied to the prepayment of the Loan. As of the date of these financial statements, the outstanding principal amount of the loan amounts to US\$ 188.1 million.

NOTE 30 - APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors has approved these interim condensed consolidated financial statements and authorized their issuance for May 13, 2019.

See our report dated May 13, 2019
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(Partner)

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

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

Cablevisión Holding S.A.
SUPPLEMENTARY FINANCIAL INFORMATION
As of March 31, 2019

1. Company Activities

On January 1, 2018, the Company informed that its subsidiary Cablevisión S.A., within the framework of its Merger with Telecom Argentina S.A. ("TEO" or "Telecom Argentina"), had signed the minutes regarding the transfer of operations, in its capacity as Absorbed Company to the Absorbing Company, which supplemented the Final Merger Agreement signed on October 31, 2017. Therefore, as provided under the Pre-Merger Commitment and under the Final Merger Agreement, as from 0:00 hours of January 1, 2018 the Merger entered into effect and, consequently, Cablevisión S.A. was dissolved without liquidation and Cablevisión Holding S.A. became the controlling company of Telecom Argentina S.A.

On January 11, February 21 and March 23, 2018, the Company made three partial prepayments of principal pursuant to the terms and conditions of the Loan for US\$ 750,000,000 executed with Citibank, NA, Goldman Sachs Bank USA, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch and Itaú Unibanco S.A. Nassau Branch, which sets out, under clauses 2.10(b) and 2.11(a), that the collections of dividends by the Company shall be applied to the prepayment of the Loan. In January, the Company prepaid US\$ 148,304,356.83, in February it prepaid US\$ 253,831,455.62 and in March US\$ 132,586,260.44. After those prepayments, the outstanding principal of the Loan amounts to US\$ 217,304,812.89. See Note 29.7.

On February 21, 2018, 121,106,082 global depositary shares GDSs represented by global depositary receipts were admitted to the official list of the United Kingdom Listing Authority ("UKLA") to be traded on the main market of the London Stock Exchange under the ticker symbol CVH.

As required by Argentine regulations, on June 21, 2018, CVH submitted and formulated its PTO due to the change of control for the acquisition of Class B shares of TEO at a price of \$ 110.85 per share. As part of the administrative process for the authorization of the PTO, the CNV served various notices on CVH in which it challenged the price offered by CVH and held that the price for each Class B share of TEO should be US\$ 4.8658 payable in Argentine pesos at the exchange rate prevailing on the business day immediately preceding the date of the payment of the PTO. Due to the fact that CVH believes that CNV's position is unfounded, it brought a legal claim to request a preliminary injunction in order to avoid the irreparable harm that would have resulted from a CNV resolution ordering CVH to conduct the PTO at the above-mentioned price. On May 6, 2019, the intervening court extended the injunction for three months, counted as from its original expiration date, with the scope provided.

As far as business management is concerned, our subsidiary Telecom Argentina recorded in the first quarter of 2019 revenues in the amount of \$44,328 million, compared to \$48,725 million in the first quarter of 2018. Operating costs -including depreciation, amortization and impairment of PP&E- amounted to \$39,832 million (an increase of \$1,046 million compared to the same period of 2018), operating income before depreciation and amortization amounted to \$14,491 million -equivalent to 32.7% of consolidated revenues -, compared to \$18,433 million and 37.8% in 2018. Operating income amounted to \$4,496 million (-54.8% compared to 2018) -equivalent to 10.1% of consolidated revenues - and net income amounted to \$1,279 million (a decrease of \$10,122 million compared to the same period of 2018)-equivalent to 2.9% of consolidated revenues-. The variations are mainly explained by a decrease in revenues; an increase in depreciation, amortization and impairment of PP&E, and a

See our report dated May 13, 2019
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

negative variation in net financial results of \$3,712 million mainly due to the exchange differences arising from the devaluation of the Argentine peso.

Consolidated revenues include \$1,868 million and \$ 18,027 million in the first quarter of 2019 and 2018, respectively, due to the effect generated by the restatement in constant currency as of March 31, 2019. The decrease in revenues (stated in constant currency as of March 31, 2019) of \$4,397 million vs 1Q18 (-9.0%) was mainly driven by mobile, Internet and cable television services. In 1Q19, service revenues amounted to \$41,521 million -equivalent to 93.7% of revenues- and sales of handsets stood at \$ 2,807 million -equivalent to 6.3% of revenues-.

2. CONSOLIDATED FINANCIAL STRUCTURE

Note: the amounts are stated in thousands of Argentine Pesos. Pursuant to CNV regulations, the following table shows the balances and results for the period, prepared under IFRS.

	<u>March 31, 2019</u>
Current Assets	39,948
Non-Current Assets	<u>372,897</u>
Total Assets	<u>412,845</u>
Current Liabilities	54,264
Non-Current Liabilities	<u>117,869</u>
Total Liabilities	<u>172,133</u>
Equity of the Parent Company	93,254
Equity of Non-Controlling Interests	<u>147,458</u>
Total Equity	<u>240,712</u>
Total Equity and Liabilities	<u>412,845</u>

3. CONSOLIDATED COMPREHENSIVE INCOME STRUCTURE

Note: the amounts are stated in thousands of Argentine Pesos. Pursuant to CNV regulations, the following table shows the balances and results for the period, prepared under IFRS.

	<u>March 31, 2019</u>
Operating income/loss from continuing operations ⁽¹⁾	4,422
Financial Results	(402)
Equity in Earnings from Associates	<u>103</u>
Income/loss from continuing operations before income tax	4,123
Income Tax	<u>(3,426)</u>
Net income for the period	697
Other Comprehensive Income for the period	<u>(542)</u>
Total Comprehensive Income for the Period	<u>155</u>

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

See our report dated May 13, 2019

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

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

4. Cash Flow Structure

Note: the amounts are stated in thousands of Argentine Pesos. Pursuant to CNV regulations, the following table shows the balances and results for the period, prepared under IFRS.

	March 31, 2019
Cash provided by (used in) operating activities	14,440
Cash provided by (used in) investment activities	(6,873)
Cash provided by (used in) financing activities	<u>(2,195)</u>
Total cash provided (used) for the period	5,372
Financial Results Generated by Cash and Cash Equivalents	<u>80</u>
Total changes in cash	<u><u>5,452</u></u>

5. STATISTICAL DATA

	March 31, 2019	March 31, 2018
Cable Television Service Subscribers (i)	97.6	99.8
Internet Access (i)	101.3	100.4
IDEN Telephony Service Lines (ii)	16.6	34.8
Fixed Telephony Service Lines (iii)	91.0	98.6
Personal Mobile Service Lines (iii)	95.6	99.7
Núcleo Customers (iii)	97.5	98.2

(i) Base December 2013= 100

(ii) Base December 2015= 100

(iii) Base December 2017= 100 (the variation corresponds to the information arising from the merger with Telecom Argentina)

6. RATIOS

	March 31, 2019
Liquidity (current assets / current liabilities)	0.74
Solvency (equity / total liabilities)	1.40
Capital assets (non-current assets / total assets)	0.90

See our report dated May 13, 2019

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

Sebastián Bardengo
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7. OUTLOOK

The Company will focus on maintaining and consolidating its presence in the telecommunications market to meet the growing demand for products and services mainly associated with broadband and mobility. Its long-term business strategy is aimed at upgrading the networks of its subsidiaries to improve the quality of the service provided to their customers and increase its penetration in the fixed and mobile broadband business, which has the greatest potential for future growth.

The purpose of the Merger is for Telecom Argentina, in its capacity as merged company ("Merged Company"), to offer in an efficient manner, in line with the national and international trend, technological products for media and telecommunications that converge the different separate or independent modalities in which voice, data, sound and video transmission wired and wireless services are provided, into a single product or a series of products to be provided as a whole for the benefit of the users and consumers of those multiple individual services. Both companies understood that their respective operating and technical structures were highly complementary and could be optimized through a structural consolidation, achieving synergies and efficiencies in the development of convergence products along with the demand of the market. Without a doubt, the Merger is the most relevant highlight of 2018 in the telecommunications sector, and marks the beginning of a stage of expansion, technological innovation and unprecedented challenges in our country.

In a very short period, the Company strengthened the integration of the financial and operating structures of the merged companies that began in January, managing to reinforce the position of the new company in a competitive market and to sustain high levels of investment to reconvert and upgrade its networks, ensuring the quality and the continuity of the services to meet the connectivity demands of our customers.

The Company focuses on providing the best convergent products and services offerings in terms of speed, quality, technological reliability and high-value contents. During the first months of this year the brands Personal and Fibertel teamed up to provide the best Wi-Fi connectivity and 4G service experience, with benefits for its Club Personal customers. During 2019, Telecom will continue with the technological reconversion and the upgrading of its management systems to provide the best customer service.

Telecom continues with fiber optic cable laying increasingly closer to households, unifying different access technologies to improve browsing speeds and converting copper fixed networks into fiber networks or hybrid fiber-coaxial networks to offer higher connection speed and capacity. This process is boosted by a strong commercial leveraging of the brand Fibertel, which has the best performance in terms of customers preference.

In macroeconomic terms, during the first months of 2019, growth continued to decelerate, inflation levels continued their sustained increase, interest rates remained high, and the Argentine peso continued to depreciate, all of which have been having a negative impact on the level of economic activity since 2018.

The economic-financial performance of the Company and its subsidiary Telecom, and other companies that operate in Argentina, was not oblivious to the impact of exchange differences, especially for a company that has to make intensive investments in infrastructure, with dollarized inputs, but operates in Argentine pesos in the local market.

Even though Telecom continues with its long-term commitment to Argentina through a strategic investment plan aimed at infrastructure deployment and systems integration, the economic scenario forces Telecom to

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

strongly focus its management on achieving operational efficiencies to maintain the growth levels in line with the investments undertaken.

Among the most relevant factors in the economic variables are the increase in inflation levels, high interest rates and the depreciation of the Argentine peso, which affected the Argentine economy mainly during the second half of the year. However, the market expects that this situation will stabilize during the first half of 2019, taking into consideration the agreement reached by the Argentine government with the International Monetary Fund and the development of the new economic measures aimed at ensuring credibility in the markets and foreign exchange stability.

Despite a less favorable economic context, during this year Telecom Argentina continued to reflect growth levels thanks to its good operating performance over the last years.

As previously informed, on January 1, 2018, CVH announced that it had become the controlling company of TEO. As required by Argentine regulations, on June 21, 2018, CVH submitted and formulated its PTO due to the change of control for the acquisition of Class B shares of TEO at a price of \$ 110.85 per share. As part of the administrative process for the authorization of the PTO, the CNV served various notices on CVH in which it challenged the price offered by CVH and held that the price for each Class B share of TEO should be US\$ 4.8658 payable in Argentine pesos at the exchange rate prevailing on the business day immediately preceding the date of the payment of the PTO. Due to the fact that CVH believes that CNV's position is unfounded, it brought a legal claim to request a preliminary injunction, granted in November 2018, in order to avoid the irreparable harm that would have resulted from a CNV resolution ordering CVH to conduct the PTO at the above-mentioned price. On May 6, 2019, the intervening court extended the injunction for three months, counted as from its original expiration date, with the scope provided.

Law No. 26,831 (as amended by Law No. 27,440 passed in May 2018, the "Capital Markets Law") sets the minimum price for mandatory PTOs due to change of control as the "higher of" the two prices described below:

"a) The highest price that the offeror or persons acting in concert with the offeror would have paid or agreed to pay for the securities that are the subject of the offer during the twelve (12) months prior to the date that marks the beginning of the period during which the PTO must be carried out; and

"b) The average price of the securities that are the subject of the offer during the six months immediately preceding the date of the announcement of the transaction whereby the change of control was agreed, regardless of the number of sessions during which the securities were traded."

CVH understands that according to the Capital Markets Law, both prices (the "highest price" and the "average price") must be compared as of January 1, 2018, which is the date (i) that marks the beginning of the period during which the PTO had to be submitted and formulated, and (ii) on which CVH announced the change of control in TEO. Therefore, as of January 1, 2018:

(a) the "highest price paid" was US\$ 4.8658 under the call option agreement between CVH and Fintech executed on July 7, 2017, which, translated into Argentine pesos at the exchange rate of \$ 18.7742 per US dollar prevailing on December 29, 2017, is equivalent to \$ 91.35; and

(b) the "average price" was \$ 110.85, which was the average price of the class B shares of TEO traded on the Bolsas y Mercados Argentinos ("BYMA") during the six months immediately preceding January 1, 2018.

Insofar as the price under (b) is greater than the price calculated under (a), the price that CVH must offer in its PTO is \$ 110.85 for each share of TEO, adjusted by the amount of any dividends paid by TEO.

See our report dated May 13, 2019
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

On October 8, 2018, the Company filed the substantive claim on which the request for a preliminary injunction was grounded: a request for a declaratory judgment declaring that the Company submitted and formulated the PTO in conformity with applicable regulations and fully in accordance with effective laws.

City of Buenos Aires, May 13, 2019.

See our report dated May 13, 2019
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Sebastián Bardengo
Chairman

Free translation from the original prepared in Spanish

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Cablevisión Holding S.A.
Legal domicile: Tacuarí 1842, 4th floor,
City of Buenos Aires
Tax ID No. 30-71559123-1

Introduction

We have reviewed the attached interim condensed consolidated financial statements of Cablevisión Holding S.A. and its controlled subsidiaries (the “Company”) which comprise the consolidated statement of financial position at March 31, 2019, the consolidated statements of comprehensive income, changes in equity and of cash flows for the three-month period ended on that date and a summary of significant accounting policies and other explanatory information.

The balances and other information corresponding to fiscal year 2018 and interim period are an integral part of the above-mentioned financial statements and, therefore, they should be considered in relation to those financial statements.

Management’s responsibility

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

Scope of our review

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

Conclusion

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

Emphasis of Matter

Without modifying our conclusion, we would like to emphasize the information contained in Note 29.2) to the interim condensed consolidated financial statements, which describes the situation related to the resolution issued by the regulator to calculate the monthly fee payable by the users of television services provided by the subsidiary Telecom Argentina S.A., whose decision cannot be foreseen to date.

Report on compliance with current regulations

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

- a) the interim condensed consolidated financial statements of Cablevisión Holding S.A. have been transcribed to the "Inventory and Balance Sheet" book and comply with the General Companies Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed separate financial statements of Cablevisión Holding S.A. arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the supplementary financial information, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2019, the debt accrued in favor of the Argentine Integrated Social Security System of Cablevisión Holding S.A. according to the Company's accounting records and calculations amounted to \$ 974,704, none of which was claimable at that date.

City of Buenos Aires, May 13, 2019.

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Dr. Carlos A. Pace



Cablevisión Holding S.A.

Interim Condensed Separate Financial Statements

For the three-month period ended March 31, 2019
presented on a comparative basis

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

Contents

Interim Condensed Separate Financial Statements

- Separate Statement of Comprehensive Income.
- Separate Statement of Financial Position.
- Separate Statement of Changes in Equity.
- Separate Statements of Cash Flows.

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. General Information.
2. Basis for the Preparation and Presentation of the Interim Condensed Separate Financial Statements
3. Accounting Estimates and Judgments.
4. Breakdown of main items.
5. Balances and transactions with related parties.
6. Developments for the three-month period ended March 31, 2019.
7. Financial Instruments.
8. Capital Stock Structure.
9. Reserves, accumulated income and dividends.
10. CNV General Resolution No. 629/2014 - Record Keeping
11. Mandatory Public Tender Offer ("PTO") due to Change of Control.
12. Subsequent Events.
13. Approval of the Interim Condensed Separate Financial Statements

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(in millions of Argentine pesos)

	Notes	March 31, 2019	March 31, 2018
Equity in Earnings from Associates	4.4	528	58,598
Management fees			
Fees for services	4.1	(38)	(25)
Salaries and Social Security Payables	4.1	(4)	(8)
Other expenses	4.1	(2)	(1)
Other Operating Income and Expense		(32)	14
Financial Costs	4.2	(627)	(690)
Other Financial Results, net	4.3	2	(346)
Income before Income Tax		(173)	57,542
Income Tax		(1)	(8)
Net income for the period		(174)	57,534
Other Comprehensive Income			
Items which can be reclassified to net income			
Equity in Earnings from subsidiaries		(176)	(193)
Total Comprehensive Income for the Period		(350)	57,341

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

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Dr. Carlos A. Pace
Certified Public Accountant (UBA)
C.P.C.E.C.A.B.A. Vol. 150 Fol. 106

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Supervisory Committee

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2019 AND DECEMBER 31, 2018
(in millions of Argentine pesos)

	Notes	March 31, 2019	December 31, 2018
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4.5	186	632
Other Receivables		57	64
Other Assets		400	334
Total Current Assets		643	1,030
NON-CURRENT ASSETS			
Other Receivables		296	306
Deferred Tax Assets		42	44
Investments in Unconsolidated Affiliates	4.4	98,551	98,198
Total Non-Current Assets		98,889	98,548
Total Assets		99,532	99,578
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable		8	39
Bank and Financial Debt	4.6	15	9,145
Salaries and Social Security Payables		4	9
Taxes Payable		60	35
Other Liabilities		93	68
Total Current Liabilities		180	9,296
NON-CURRENT LIABILITIES			
Bank and Financial Debt	4.6	9,420	-
Total Non-Current Liabilities		9,420	-
Total Liabilities		9,600	9,296
EQUITY (as per the corresponding statement)			
Shareholders' Contribution		15,480	15,480
Other Items		(1,008)	(833)
Retained Earnings		75,460	75,635
Total Equity		89,932	90,282
Total Equity and Liabilities		99,532	99,578

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

See our report dated May 13, 2019
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Dr. Carlos A. Pace
Certified Public Accountant (UBA)
C.P.C.E.C.A.B.A. Vol. 150 Fol. 106

Pablo San Martín
Supervisory Committee

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Chairman

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Parent Company									
	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Interests
	Capital Stock ⁽¹⁾	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings	
Balances as of January 1, 2018	181	4,438	10,861	15,480	(1,262)	(8)	154	7,603	15,431	37,398
Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	-	(111)	(111)
Changes in Other Reserves	-	-	-	-	-	(57)	-	-	-	(57)
Net income for the period	-	-	-	-	-	-	-	-	57,534	57,534
Other Comprehensive Income	-	-	-	-	(193)	-	-	-	-	(193)
Balances as of March 31, 2018	181	4,438	10,861	15,480	(1,455)	(65)	154	7,603	72,854	94,571
Balances as of January 1, 2019	181	4,438	10,861	15,480	(767)	(65)	154	10,270	65,210	90,282
Net income for the period	-	-	-	-	-	-	-	-	(174)	(174)
Other Comprehensive Income	-	-	-	-	(176)	-	-	-	-	(176)
Balances as of March 31, 2019	181	4,438	10,861	15,480	(943)	(65)	154	⁽²⁾ 10,270	65,036	89,932

(1) Includes 1,578 treasury shares. See Note 8.

(2) Broken down as follows: (i) Voluntary reserve for future dividends of \$ 3,734; (ii) Voluntary reserve for illiquid results of \$ 899, (iii) Voluntary reserve to ensure the liquidity of the Company and its subsidiaries of \$ 1,359.

(iv) Voluntary Reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communication Services Law of \$1,611 and (v) Voluntary Reserve for financial obligations of \$ 2,667.

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

See our report dated May 13, 2019
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(Partner)

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

Dr. Carlos A. Pace
Certified Public Accountant (UBA)
C.P.C.E.C.A.B.A. Vol. 150 Fol. 106

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018
(in millions of Argentine pesos)

	March 31, 2019	March 31, 2018
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net income for the period	(174)	57,534
Income Tax	1	8
Accrued Interest, net	372	472
Adjustments to reconcile net income for the period to cash used in operating activities:		
Exchange Differences and Other Financial Results	246	331
Gain (Loss) on Net Monetary Position	(11)	233
Equity in Earnings from Associates	(528)	(58,598)
Changes in Assets and Liabilities:		
Other Receivables	23	177
Trade and Other Payables	(68)	3
Other Liabilities	33	-
Taxes Payable	56	(21)
Net Cash Flows (used in) / provided by Operating Activities	<u>(50)</u>	<u>139</u>
CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES		
Dividends collected	-	16,901
Net Cash Flows provided by Investment Activities	<u>-</u>	<u>16,901</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Reserve set-up / reversal	(53)	419
Payment of Interest	(337)	(252)
Repayment of Loans	-	(16,533)
Net Cash Flows used in Financing Activities	<u>(390)</u>	<u>(16,366)</u>
Decrease / Increase in cash flow, net	(440)	674
FINANCING RESULTS PROVIDED BY /USED IN) CASH (INCLUDING GAIN (LOSS) ON NET MONETARY POSITION)	(6)	(118)
Cash and Cash Equivalents at the Beginning of the Year (Note 4.5)	632	769
Cash and Cash Equivalents at the End of the Period (Note 4.5)	<u>186</u>	<u>1,325</u>

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

See our report dated May 13, 2019
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

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Registration number with the IGJ: 1,908,463

CABLEVISIÓN HOLDING S.A.
NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
PRESENTED ON A COMPARATIVE BASIS
(in millions of Argentine pesos)

NOTE 1 – GENERAL INFORMATION

Cablevisión Holding S.A. is a holding company that operates in the telecommunications industry. Its operating income and cash flows derive from its direct and indirect interest in Telecom.

Telecom provides mainly fixed-line public and mobile telecommunication services, international long-distance service, data transmission and Internet services in Argentina and through its subsidiaries, mobile telecommunications services in Paraguay and international wholesale services in the United States of America.

As a consequence of the merger between Telecom and Cablevisión S.A., Telecom Argentina, as surviving entity, develops, as from fiscal year 2018, the operations that Cablevisión S.A. developed until December 31, 2017.

The core business of Cablevisión and some of its subsidiaries was the operation of the cable television networks installed in different regions of Argentina and Uruguay and the provision of telecommunication services.

Cablevisión exploited cable television services through licenses original granted by the Federal Broadcasting Committee (COMFER, for its Spanish acronym) and telecommunication services through licenses granted by the SC.

NOTE 2 - BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**2.1. Basis for the preparation**

Through General Resolutions No. 562/09 and No. 576/10, the Argentine Securities Commission ("CNV", for its Spanish acronym) provided for the application of Technical Resolutions ("TR") No. 26 and No. 29 issued by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE", for its Spanish acronym), which adopt the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") for entities subject to the public offering regime governed by Law No. 26,831, whether on account of their equity or their notes, or which have requested authorization to be subject to such regime. The FACPCE issues Adoption Communications in order to implement IASB resolutions in Argentina.

Technical Resolution No. 43 "Amendment of Technical Resolution No. 26", effective for fiscal years beginning on or after January 1, 2016, sets out that separate financial statements shall be prepared fully in accordance with IFRS without applying any changes, i.e. complying with the full contents of those standards as issued by the IASB and with the mandatory or guiding provisions established by IASB in each document.

That Resolution provides that for its disclosure in separate financial statements of entities that are required to present consolidated financial statements, the investments in subsidiaries, joint ventures and associates shall be valued under the equity method as set out by IFRS.

In preparing these interim condensed separate financial statements for the three-month period ended March 31, 2019, the Company has followed the guidelines provided by TR 43, and, therefore, these financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", except for IAS 29, which was excluded by the CNV from its accounting framework. Some additional matters were

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

included as required by the Argentine General Associations Law and/or CNV regulations, including the supplementary information provided by the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13. That information is included in the Notes to these interim condensed separate financial statements, as provided by IFRS. The interim condensed separate financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its annual separate financial statements as of December 31, 2019. The accounting policies are based on IFRS issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These parent-company only financial statements have been prepared based on historical cost restated as described in Note 2.1.1, except for the fair value measurement of certain non-current assets and financial instruments (including derivatives). In general, the historical cost is based on the fair value of the consideration granted in exchange for the assets.

These interim condensed separate financial statements should be read together with the Company's financial statements for the fiscal year ended December 31, 2018, prepared under IFRS.

The accounting policies used in the preparation of these interim condensed separate financial statements are consistent with those used in the preparation of the financial statements for the fiscal year ended December 31, 2018.

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

The attached information, approved by the Board of Directors of the Company at the meeting held on May 13, 2019, is presented in Argentine Pesos (\$), the Argentine legal tender, and arises from accounting records kept by the Company.

2.1.1 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

IAS 29 sets out the conditions under which an entity shall restate its financial statements at the currency unit current as of the date of the accounting measurement when it operates in a country with an economic environment classified as "hyperinflationary."

To determine the existence of a highly inflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%.

The macroeconomic events that occurred in Argentina during 2018, and the cumulative inflation rate over the last three years as of December 31, 2018, which reached 147.8%, indicate that the qualitative and quantitative factors provided under IAS 29 to consider Argentina as a highly inflationary economy for accounting purposes were fulfilled. On September 29, 2018, the FACPCE issued Resolution No. 539/18, whereby it provided for the need to adjust the financial statements of Argentine companies for accounting periods ending as from July 1, 2018, and set out specific issues regarding the inflation adjustment, such as the indexes to be used. This Resolution was approved on October 10, 2018 by the CPCECABA through Resolution No. 107/2018.

In addition, Law No. 27,468 (published in the Official Gazette on December 4, 2018) amended Section 10 of Law No. 23,928, as amended, providing that the repeal of all the laws and regulations that establish or authorize price indexation, currency restatement, cost variance and any other form of restatement of debts, taxes, prices or fees related to property, works or services, does not apply to financial statements, which remain subject to Section 62 of the General Associations Law, as amended. In addition, it repealed Decree No. 1,269/2002, as amended, and delegated on the Executive Branch, through its oversight agencies, the power to set the date as from which those regulations will come into effect with respect to financial statements.

Therefore, through Resolution No. 777/18 (published in the Official Gazette on December 28, 2018), the CNV, the local regulator, also established the method to restate financial statements in constant currency to be applied by issuers subject to the oversight of the CNV, in accordance with IAS 29 for years/periods

See our report dated May 13, 2019
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Pablo San Martín
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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

ended as from December 31, 2018. Therefore, these financial statements have been restated in constant currency as of March 31, 2019.

Pursuant to Resolution No. 539/18, the inflation rate was based on the Domestic Wholesale Price Index ("IPIM", for its Spanish acronym) until the year 2016, taking into consideration for the months of November and December 2015 the average variation of the IPC index of the City of Buenos Aires. As from January 2017, the Company used the National Consumer Price Index (National IPC, for its Spanish acronym).

The following table shows the evolution of those indexes over the last three fiscal years and as of March 31, 2019, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of</u> <u>December 31,</u> <u>2016</u>	<u>As of</u> <u>December 31,</u> <u>2017</u>	<u>As of December</u> <u>31, 2018</u>	<u>As of March</u> <u>31, 2018</u>	<u>As of March 31,</u> <u>2019</u>
<u>Variation of Prices</u>					
Annual	34.6%	24.8%	47.6%	25.4%	54.7%
Accumulated over 3 years	102.3%	96.8%	148.0%	107.0%	136.5%
Accumulated over 3 months	n/a	n/a	n/a	6.7%	11.8%

The Company applied the same restatement policies to the items identified in the annual separate financial statements as of December 31, 2018. The exchange differences, as well as the interest accrued, are calculated in real terms, excluding the corresponding inflationary effect.

2.2. Standards and Interpretations issued but not adopted to date

There are no standards and interpretations issued but not adopted by the Company as of March 31, 2019.

2.3. Standards and Interpretations issued and adopted to date

- IFRS 16 "Leases": Issued in January 2016. It establishes the principles for the recognition, measurement, presentation and disclosure of leases. Said standard applies to years beginning January 1, 2019.

It does not have an impact on the separate financial statements other than the impact this standard has on the equity of the subsidiary Telecom (see note 1.f) to the consolidated financial statements).

- IFRIC 23 "Uncertainty over Income Tax Treatments": issued in October 2017. In case of uncertainty over tax treatments, this IFRIC provides: (i) whether or not uncertain tax treatments must be assessed separately; (ii) the assumptions used by the tax authority with respect to the tax treatments (the Company will have to assess if it is probable that the tax authority will accept the uncertain tax treatment assuming that the taxation authority is going to assess such uncertain tax treatment); (iii) how a company measures the tax income (loss), the tax bases, taxes and fiscal credits not deducted and tax rates (assessment of the probability of occurrence); and (iv) how the changes in facts and circumstances are considered.

The new standard is effective for fiscal years beginning on or after January 1, 2019. The application of this amendment does not have an impact on the statement of financial position, the statement of comprehensive income or the statement of cash flows.

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

The estimates and assumptions used in the preparation of these interim condensed separate financial

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

statements are consistent with those used in the preparation of the financial statements as of December 31, 2018, which are disclosed in Note 3 to such financial statements for fiscal year ended December 31, 2018.

NOTE 4 – BREAKDOWN OF MAIN ITEMS**4.1 - Information required under article 64, subsection b) of Law no. 19,550**

Item	Administrative Expenses	Administrative Expenses
	March 31, 2019	March 31, 2018
Fees for services	38	25
Salaries and Social Security Payables	4	8
Other expenses	2	1
Total	44	34

4.2 - Financial Costs

	March 31, 2019	March 31, 2018
Exchange Differences	(254)	(215)
Interests	(373)	(475)
	(627)	(690)

4.3 – Other Financial Results, net

	March 31, 2019	March 31, 2018
Exchange Differences	8	(116)
Other Taxes and Expenses	(6)	-
Gain (Loss) on Net Monetary Position	11	(233)
Restatement of Receivables	(12)	-
Interests	1	3
	2	(346)

4.4 - Investments in Associates

(amounts in millions of Argentine pesos, except for those corresponding to the nominal value of shares)

Companies	Country	Class	Nominal Value	Number	Valuation as of March 31, 2019 (1)	Valuation as of December 31, 2018 (1)	Interest (%)
Non-Current Investments:							
Telecom Argentina (2)	Argentina	Common	\$ 1	406,757,183	44,534	44,365	18.89%
Telecom Argentina – Goodwill					5,730	5,730	
VLG (3)	Argentina	Common	\$ 1	19,172,000,000	47,617	47,433	100%
VLG – Goodwill					670	670	
PEM	Argentina	Common	\$ 1	1	-	-	0.00000007%
Total					98,551	98,198	

(1) In certain cases, the equity value does not correspond to the related shareholders' equity due to: (i) the adjustment of the equity value to the Company's accounting policies, as required by professional accounting standards, (ii) the elimination of goodwill generated by transactions between companies under the Company's common control, (iii) the existence of irrevocable contributions, and (iv) adjustments to fair market value of net assets for acquisitions made by the Company.

(2) See Note 11.

(3) Company through which an indirect interest is held in Telecom.

The information about the issuer is detailed below (in millions of Argentine pesos):

Companies	Main business activity	Date	Capital Stock	Net Income	Equity
Telecom	Provision of Information and Communications Technology Services ("ICT Services")	March 31, 2019	2,154	1,232	253,432
VLG	Investing and financing	March 31, 2019	19,172	273	51,064
PEM	Investing	March 31, 2019	14	4	137
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PRICE WATERHOUSE & CO. S.R.L.					

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

The following is the evolution of the Investments in Unconsolidated Affiliates:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balance at the beginning of the year:	98,198	56,266
Equity in Earnings for the period from subsidiaries	528	4,247 (*)
Effect of the Merger between Telecom and Cablevisión	-	54,351 (*)
Effect of Adopting New Accounting Policies	-	(111)
Interest in the dividends distributed by subsidiaries	-	(14,820)
Other Comprehensive Income	(175)	(193)
Changes in Other Reserves	-	(57)
Balance at period-end	<u>98,551</u>	<u>99,683</u>

(*) Included in the item "Equity in Earnings from Associates" of the separate statement of comprehensive income.

Equity in Earnings from Associates

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Telecom	256	33,512
VLG	272	25,086
	<u>528</u>	<u>58,598</u>

4.5 - Cash and Cash Equivalents

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Banks in Local Currency	9	4
Banks in Foreign Currency (Note 4.7)	13	22
Mutual Funds	56	-
Interest-bearing accounts (Note 4.7)	108	270
Fixed-Term Deposits (Note 4.7)	-	336
Total	<u>186</u>	<u>632</u>

4.6 – Bank and Financial Debt

The following is a breakdown of the Company's loans and indebtedness:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Current		
Bank Loans - principal	-	9,157
Bank Loans - Interest	15	9
Financial debt measured at present value	-	(21)
Total	<u>15</u>	<u>9,145</u>
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Non-Current		
Bank Loans - principal	9,420	-
Total	<u>9,420</u>	<u>-</u>

The following table

details the changes in loans and indebtedness in the three-month periods ended March 31, 2019 and 2018:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balance at the Beginning	9,145	22,782
Accrued Interest	373	475
Exchange Differences	254	215
Payment of Financial Debt	-	(16,533)
Payment of Interest	(337)	(252)
Balances at period-end	<u>9,435</u>	<u>6,687</u>

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

4.7 - Assets and Liabilities in Foreign Currency

Items	As of March 31, 2019			As of December 31, 2018	
	Amount in Foreign Currency (1)	Prevailing Exchange Rate (2)	Amount In local Currency (3)	Amount in Foreign Currency (1)	Amount In local Currency (3)
			\$		\$
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	3	43.15	121	15	628
Other Receivables	1	43.15	43	1	47
Other Assets	9	43.15	400	8	334
Total Current Assets	13		564	24	1,009
NON-CURRENT ASSETS					
Other Receivables	7	43.15	296	7	306
Total Non-Current Assets	7		296	7	306
Total Assets	20		860	31	1,315

⁽¹⁾ US\$.⁽²⁾ Bid/offered exchange rates, as appropriate.⁽³⁾ Since the amounts in foreign currency and the equivalent amount in Argentine pesos are stated in millions, the calculation of the amount in foreign currency as per the prevailing exchange rate may not be accurate.

Items	As of March 31, 2019			As of December 31, 2018	
	Amount in Foreign Currency (1)	Prevailing Exchange Rate (2)	Amount In local Currency (3)	Amount in Foreign Currency (1)	Amount In local Currency (3)
			\$		\$
LIABILITIES					
CURRENT LIABILITIES					
Bank and Financial Debt	-	43.35	15	217	9,145
Total Current Liabilities	-		15	217	9,145
NON-CURRENT LIABILITIES					
Bank and Financial Debt	217	43.35	9,420	-	-
Total Non-Current Liabilities	217		9,420	-	-
Total Liabilities	217		9,435	217	9,145

⁽¹⁾ US\$.⁽²⁾ Bid/offered exchange rates, as appropriate.⁽³⁾ Since the amounts in foreign currency and the equivalent amount in Argentine pesos are stated in millions, the calculation of the amount in foreign currency as per the prevailing exchange rate may not be accurate.**4.8 – Maturities of Investments, Receivables and Liabilities**

The following table shows the classification of investments, receivables and liabilities as of March 31, 2019 in the following categories:

	Investments	Other Assets	Receivables	Other Liabilities	Bank and Financial Debt
	(1)	(2)	(3)	(4)	(4)
In millions of Argentine pesos					
Without any established term	165	-	-	8	-
Due	-	400	25	60	15
Within three months	-	-	11	97	-
More than three months and up to six months	-	-	11	-	-
More than six and up to nine months	-	-	11	-	-
More than nine months and up to twelve months	-	-	11	-	-
More than 1 year	-	-	295	-	9,420
Total with upcoming maturity	-	400	353	157	9,435
Total	165	400	353	165	9,435

⁽¹⁾ Includes US\$ 2.5 and \$ 56 which accrue interest at a variable rate. Included in the item "Cash and Cash Equivalents."⁽²⁾ Includes US\$ 9.3 million which does not accrue any interest.⁽³⁾ Does not accrue any interest. Includes taxes payable, accounts payable and salaries and social security payables, and other liabilities.⁽⁴⁾ Includes US\$ 217 million which accrues interest at a variable rate.

See our report dated May 13, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

4.9 Changes in Allowances

Items	Balances as of December 31, 2018	Increases	Decreases	Balances as of March 31, 2019
Deducted from Assets				
Valuation Allowance	13	-	(1)	12
Total	13	-	(1)	12

NOTE 5 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The following table shows the breakdown of the Company's balances with its related parties as of March 31, 2019 and December 31, 2018.

Company	Item	March 31, 2019	December 31, 2018
<u>Other Related Parties</u>			
Gestión Compartida	Accounts Payable	-	4
Grupo Clarín	Accounts Payable	7	-

The following table details the transactions carried out by the Company with related parties for the three-month periods ended March 31, 2019 and 2018:

Company	Item	March 31, 2019	March 31, 2018
<u>Other Related Parties</u>			
Grupo Clarín	Fees for services	(15)	(15)
Gestión Compartida	Fees for services	(2)	(2)

NOTE 6 – DEVELOPMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**a) Loan executed by Cablevisión Holding**

In connection with the Loan executed by the Company mentioned in note 4.9 to the annual separate financial statements as of December 31, 2018, on March 21, 2019, the Company acknowledged the acceptance by the Lenders, the Arrangers, Collateral Agents and the Administrative Agent of the Amendment Offer (the "Amendment Offer") delivered by the Company, in order to amend certain provisions of the Loan granted by the Lenders on September 27, 2017. The main terms of the Amendment Offer are the following:

- Maturity Date: the date that is 18 months from the Amendment Effective Date (March 25, 2019).
- Applicable Margin: the Loan shall accrue interest on any outstanding amounts until their actual payment at a rate equal to "LIBOR", plus an applicable margin equal to (i) 5.75% per annum for the period from the Amendment Effective Date to the date that is six months thereafter, (ii) 6.50% per annum for the period from, but excluding, the date that is six months following the Amendment Effective Date and the date that is the first anniversary of the Amendment Effective Date, and (iii) 7.25% per annum for the period from, but excluding, the first anniversary of the Amendment Effective Date to and including the Maturity Date.
- Permitted Debt: The Company shall not create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to, any Debt (other than the Obligations), except the following (collectively, the "Permitted Debt"): (a) Debt in an amount not exceeding US\$ 50,000,000 outstanding at any time; and (b) Debt in an amount necessary to fund, in whole or in part, any Tender Offer or Additional Acquisition of Telecom shares; provided that such Debt shall (i) be subordinated in

See our report dated May 13, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

right of payment to the payment in full of the Obligations, (ii) be unsecured or, if secured, the collateral for such Tender Offer/Additional Acquisition Debt will consist solely of new equity interests in Cablevisión acquired with the proceeds of such Tender Offer/Additional Acquisition Debt; (iii) have a maturity date falling at least six (6) months after the Maturity Date, (iv) provide that no interest or scheduled amortization payments of principal is payable in cash while any of the Obligations is outstanding.

- Collateralization: During the effectiveness of the Loan, the Company undertakes to create and maintain collateral. For such purpose, the Borrower shall pledge a number of common shares of Telecom Argentina it holds directly or indirectly that shall result from the application of the Collateralization Ratio ("Collateralization Ratio") of 2,5:1,00. This Ratio shall be increased to 2,75:1,00 as long as Cablevisión Holding maintains any Permitted Debt described under paragraph (b), above.

As of the date of these separate financial statements, the lenders maintain a pledge on 178,597,678 shares of Telecom Argentina held by the Company.

During the period covered by these separate financial statements, the Company complied with all covenants. See Note 12.5.

NOTE 7 – FINANCIAL INSTRUMENTS

Grupo Clarín's activities are exposed to several financial risks: Market risk (including exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

No changes were made in the risk department or to risk management policies, as from the time the Company's separate financial statements as of December 31, 2018 were issued.

The following table shows the monetary assets and liabilities denominated in foreign currency (US\$) as of March 31, 2019 and December 31, 2018:

	US\$ March 31, 2019	US\$ December 31, 2018
ASSETS		
Other Receivables	8	8
Other Assets	9	8
Cash and Cash Equivalents	3	15
Total assets	20	31
LIABILITIES		
Bank and Financial Debt	217	217
Total Liabilities	217	217

Applicable bid/offered exchange rates as of March 31, 2019 and December 31, 2018 were of \$ 43.15 / \$ 43.35 and \$ 37.5 / \$ 37.7, respectively.

7.1.1. Financial Instruments at Fair Value

The following table shows the Company's financial assets and liabilities measured at fair value as of March 31, 2019 and December 31, 2018:

	March 31, 2019	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	164	56	108

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

	<u>December 31, 2018</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
Assets			
Current Investments	270	-	270

Financial assets are valued using quoted prices for identical assets and liabilities (Level 1), or the prices of similar instruments arising from sources of information available in the market (Level 2). As of March 31, 2019 and December 31, 2018, the Company did not have any asset or liability for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

7.1.2. Fair Value of Financial Instruments

The book value of cash and banks, accounts receivable and short-term liabilities is similar to the fair value because these are instruments with short-term maturities.

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

	<u>March 31, 2019</u>		<u>December 31, 2018</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Bank and Financial Debt	9,420	9,420	-	-

NOTE 8 - CAPITAL STOCK STRUCTURE

The Company's capital stock as of May 1, 2017, the date on which it started its operations, was set at \$ 180,642,580, represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 117,077,867 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 15,811,092 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

On March 21, 2017, the Company made a filing with the CNV in order to request admission to the public offering regime. On May 29, 2017, the Company requested the BCBA the listing of its Class B common shares.

On August 10, 2017, the CNV approved the prospectus for admission to the public offering regime filed by Cablevisión Holding and, consequently, the Company fulfilled the conditions detailed in CNV Resolution No. 18,818. On August 11, 2017, the BCBA notified the Company of its admission to the public offering regime.

Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company holds 1,578 treasury shares as of December 31, 2018.

On September 26, 2017, the Company's Board of Directors approved, pursuant to Section five of the By-Laws, the conversion request submitted by the shareholder GS Unidos LLC of 4,028,215 Class C non-

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

endorsable, registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share. Pursuant to the By-Laws, the Company informed the CNV and the BCBA of the conversion and: (i) on October 5, 2017, the CNV authorized, through Resolution No. DI 20178APN-G #CNV, the public transfer by way of conversion of 4,028,215 Class C non-endorsable, registered common shares and, (ii) on October 6, 2017, the BCBA informed the Company of the transfer of the authorization for the listing of 4,028,215 non-endorsable registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share.

On February 16, 2018, the United Kingdom Listing Authority ("UKLA") approved the prospectus related to the listing of the Company's Class B shares in the form of global depositary shares (GDSs) to be traded on the London Stock Exchange. Those GDSs were admitted to the official list of the UKLA on February 21, 2018.

The Company's capital stock as of March 31, 2019 is of \$ 180,642,580 and is represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 121,106,082 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 11,782,877 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

NOTE 9 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS

1. Cablevisión Holding

The Company's bylaws provide that retained earnings shall be appropriated as follows: (i) 5% to the Company's legal reserve until such reserve equals 20% of the Company's capital stock; and (ii) the balance, in whole or in part, to the payment of the fees of the members of the Board of Directors and the Supervisory Committee, to dividends on common shares, or reserve accounts, or as otherwise determined by the Shareholders, among other situations.

At the General Ordinary Shareholders' Meeting held on April 25, 2019, the shareholders of the Company decided, among other things, to instruct the Board of Directors to call an Extraordinary Shareholders' Meeting for the sole purpose of considering the appropriation of retained earnings as of December 31, 2018 for \$ 58,339 million. To this end, the Board of Directors called a General Extraordinary Shareholders' Meeting to be held on May 31, 2019. The Board of Directors proposes to the Shareholders to appropriate retained earnings as detailed below, and the Shareholders shall decide on the amount to be distributed pursuant to CNV Resolution No. 777/18: i) to increase the Legal Reserve -an amount of no less than 5% of net income for the year and adjustments until reaching 20% of the capital stock plus the balance of the Inflation Adjustment on Capital Stock account-, \$688 million; ii) to increase the Voluntary Reserve for Financial Obligations, \$9,614 million; iii) to increase the Reserve for Illiquid Results, \$48,037 million. In addition, the Board of Directors proposes to the Shareholders the full reversal of the Voluntary Reserve for Future Dividends, the Reserve to Ensure the Liquidity of the Company and its Subsidiaries and the Voluntary Reserve to Provide Financial Aid to subsidiaries and in connection with the Broadcasting Law, in order to reallocate those amounts to the Voluntary Reserve for Illiquid Results.

2. Telecom Argentina

At the Unanimous Ordinary and Extraordinary Shareholders' Meeting held on April 24, 2019, the shareholders of Telecom decided, among other things:

- (a) To approve the Board of Directors' proposal to appropriate Retained Earnings as of December 31, 2018 (\$30,102,883,523) stated in constant currency as of March 31, 2019 using the National Consumer

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

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

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

- Price Index (National IPC, for its Spanish acronym). (i) \$297,363,703 to the Legal Reserve; (ii) \$6,300,000,000 to Cash Dividends; (iii) \$7,045,307,602 to the "Voluntary reserve for future cash dividends"; and (iv) \$16,460,212,218 to the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level";
- (b) To approve cash dividends for a total of \$6,300,000,000 (equivalent to \$ 2.925214779 per outstanding share of nominal value \$1 as of that date), which were made available to shareholders on May 7, 2019; and
- (c) To grant broad powers to the Board of Directors of Telecom to decide, based on the evolution of the business, on the total or partial reversal, in one or more times, of up to \$7,045,307,602 of the "Voluntary Reserve for Future Cash Dividends" and its distribution to the shareholders as cash dividends. The Board may exercise these powers until December 31, 2019.

NOTE 10 – CNV GENERAL RESOLUTION No. 629/2014 - RECORD KEEPING

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

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

NOTE 11 - MANDATORY PUBLIC TENDER OFFER ("PTO") DUE TO CHANGE OF CONTROL

As described under Note 6.a) to these separate financial statements, on January 1, 2018, the Company became the direct and indirect holder of 841,666,658 Class D shares of Telecom Argentina, representing 39.08% of the outstanding capital stock of said company. In addition, all the provisions of the agreement, described under said note, came into effect. Said agreement entitles the Company to appoint the majority of the members of Telecom's Board of Directors. Therefore, the Company is the controlling shareholder of Telecom.

Accordingly, and pursuant to Law No. 26,831 (as amended by Law No. 27,440, the "Capital Markets Law") and the rules of the Argentine Securities Commission (CNV, for its Spanish acronym), and together with the Capital Markets Law, the "PTO Rules"), on June 21, 2018, the Company's Board of Directors decided to promote and make a mandatory public tender offer ("PTO") due to change of control for all the Class B common shares listed on Bolsas y Mercados Argentinos S.A. ("BYMA", for its Spanish acronym), (including the Class C common shares issued by Telecom which were converted into Class B common shares within the term provided) issued by Telecom.

Notwithstanding the fact that Fintech Telecom, LLC is not obligated to promote, make or launch a PTO pursuant to the PTO Rules and that it has not taken part in the determination or formulation of any of the terms and conditions of the PTO, as provided under the above-mentioned agreement, Fintech Telecom LLC has undertaken with regard to the Company to pay and acquire 50% of the shares that will be tendered under the PTO (notwithstanding the Company's right to acquire by itself the first 43,073,760 shares).

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company is of \$ 110.85 per Share (less any cash dividend per Share to be paid by Telecom from the announcement date to the date the price of the PTO is paid and other expenses, such as transfer expenses, rights, fees, commissions, taxes, duties or contributions) (the "PTO Price"). The Company has obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price shall be payable in Pesos in Argentina no later than 5 business days following the expiration of the Offer Reception Period.

Pursuant to Article 3, paragraph c), Chapter II, Title III of CNV Rules, on July 5, 2018, the Board of Directors of Telecom Argentina issued an opinion stating that the PTO Price had been set in accordance with the mandatory terms provided under applicable laws, in conformity with item I of Article 88 of the Capital Markets Law, and issued the Board of Directors' Report provided under such Rules.

See our report dated May 13, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Subsequent to the announcement of the PTO by the Company, the CNV made certain objections to the Price of the PTO and served notice on the Company of the reports issued by its technical areas, which were answered in due time and form by the Company. Due to the imminent possibility that the CNV would reject the PTO and order the Company to make the PTO at the price assessed by the CNV within a mandatory term or, if the Company did not comply with that order, due to the possibility that the CNV would apply the sanctions provided under Article 89 of the Capital Markets Law, the Company requested an injunction ordering the CNV to refrain from resolving and deciding on the authorization of the PTO submitted and formulated by the Company until a final judgment is rendered on the merits of the Company's claim, which seeks a decision by the court declaring that the Company submitted and formulated the PTO in conformity with applicable law.

On September 21, 2018, the Company was served notice of the decision rendered on September 20, 2018 in re "Cablevisión Holding S.A v. Comisión Nacional de Valores on Injunctions" File No. 7,998/2018, pending before the Federal Civil and Commercial Court No. 3, whereby, as a preliminary injunction, the CNV was ordered to refrain from resolving and deciding on the authorization of the PTO submitted and formulated by the Company on June 21, 2018, until the court renders a final decision on the injunction, once the requirements of article 4 of Law No. 26,854 have been fulfilled.

As required under the applicable law, the CNV filed a response and submitted the report provided under Article 4 of Law No. 26,854. The CNV also filed a subsidiary appeal against the decision rendered on September 20, 2018 that granted the preliminary injunction requested by the Company.

On October 8, 2018, the Company filed the substantive claim on which the request for a preliminary injunction was grounded: a request for a declaratory judgment declaring that the Company submitted and formulated the PTO in conformity with applicable regulations and fully in accordance with effective laws.

On November 28, 2018, the Company was served with the decision rendered on November 27, 2018 in re "Cablevisión Holding S.A. v. Comisión Nacional de Valores on Injunctions" File 7,998/2018, pending before Federal Civil and Commercial Court No. 3, whereby the Court accepted (as a requirement of admissibility) the guarantee posted by the Company pursuant to the decision of November 1, 2018, which had granted the injunction requested by the Company. Pursuant to the Court's injunction, the CNV was instructed to refrain from issuing any decision on the authorization of the PTO submitted and formulated by the Company on June 21, 2018, for a period of six months.

As of the date of these consolidated financial statements, the decision rendered on November 1, 2018 that granted the injunction is not yet final. See Note 12.4

NOTE 12 – SUBSEQUENT EVENTS

1. Reserves, Accumulated Income and Dividends

Note 9 to these financial statements describes the events that took place subsequent to the closing of the period in connection with reserves, accumulated income and dividends.

2. Resolution No. 50/10 et seq. issued by the Secretaría de Comercio Interior de la Nación (Secretariat of Domestic Trade or "SCI")

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*). Cable television operators must adjust such amount semi-annually and inform the result of such adjustment to said Office.

Telecom believes that Resolution No. 50/10 is arbitrary and bluntly disregards its freedom to contract, which is part of the right to freedom of industry and trade. Therefore, it has filed the pertinent administrative claims

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín
Supervisory Committee

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

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

requesting the suspension of the Resolution's effects and its nullification. Notwithstanding the foregoing, the application of the formula established by Resolution No. 50/10 to calculate the monthly subscription prices is impracticable given the vagueness of the variables provided.

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 set forth the parameters to be applied to the services rendered by Cablevisión (now Telecom, as a result of the merger) to its subscribers. Telecom believes that Resolution No. 36/10 is illegal and arbitrary, since it is grounded on Resolution No. 50/10, which is absolutely null and void.

In accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata 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. The National Government filed an appeal against the decision issued by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed. The National Government filed a direct appeal with the Supreme Court, which has also been dismissed.

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. Subsequently, the SCI issued Resolutions Nos. 65/11, 92/11, 123/11, 141/11, 10/12, 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. Telecom believes 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 (including Telecom and its subsidiaries), and also given the fact that Resolutions No. 36/11, 65/11, 92/11, 123/11, 141/11, 10/12, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14 merely apply Resolution No. 50/10, Telecom continues to be protected by said preliminary injunction.

On September 23, 2014, the Supreme Court of Argentina rendered a decision in re "Municipality of Berazategui v. Cablevisión" and ordered that the cases related to these resolutions continue under the jurisdiction of the Federal Court of Mar del Plata that had issued the decision on the collective action in favor of ATVC. Currently, all the claims related to this matter are pending before the Federal Courts of Mar del Plata.

In April 2019, La Capital Cable S.A. was served with the decision rendered by the Federal Court of Mar del Plata No. 2, whereby said court granted the claim brought by La Capital Cable S.A. to which the ATVC subscribed. The referred resolution declared sections 2.a and 2.c of the Law No. 20,680 in its original wording unconstitutional (prior to the amendment introduced by Law No. 26,991), as well as Resolution No. 50/2010, and, as a result, the following Resolutions were also declared unconstitutional: 36/11, 65/11, 92/11, 123/11, 141/11, 10/12, 25/12, 97/12, 161/12, 29/13, 61/13, 104/13, 1/14, 43/14 and 93/14. The Resolutions that set the price, initially applicable to the cable television industry (Resolution No. 50/10) and subsequently only to Cablevisión (Resolution No. 36 et seq.), were grounded on the previous wording of the supply law and its regulations. In its defense, Telecom had argued that the supply law was not applicable and, ultimately, the articles of that law and the resolutions were declared unconstitutional. The declaration of unconstitutionality entails that the Secretariat of Domestic Trade cannot ground its Resolutions on those articles. Therefore, they are not applicable to the legal entities that were a part in the lawsuit (La Capital Cable and the companies represented by ATVC).

Even though the decision rendered by the Federal Court that declared the unconstitutionality is not yet final because the National Government filed an appeal, which resolution is uncertain, based on the advice of its legal counsel, the Company's Management believes to have strong arguments for its defense.

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

3. Voting Trust

As mentioned in Note 6.a) to the annual separate financial statements of the Company as of December 31, 2018, on April 15, 2019, the Voting Trust was formalized. Under said Voting Trust, Fintech Telecom LLC and Cablevisión Holding (i) each contribute 235,177,350 shares of Telecom to a voting trust (the "Voting Trust") which, upon incorporating the shares in Telecom Argentina held by Cablevisión Holding, exceed fifty percent (50%) of the outstanding shares after the Merger became effective, and (ii) each appointed a co-trustee who will vote the shares under the terms of the Voting Trust executed by certain parties of the [Shareholders'] Agreement. The shares under the Voting Trust shall be voted as per the instructions of the co-trustee appointed by Cablevisión Holding, except in the case of certain issues subject to veto under the Shareholders' Agreement, in which case the co-trustee of Fintech Telecom LLC will determine the vote with respect to the shares under the Voting Trust. |

4. Public Tender Offer ("PTO") due to Change of Control

On May 8, 2019, in connection with the PTO detailed in Note 11, the Company was served notice of a resolution rendered on May 6, 2019 by the Federal Civil and Commercial Court No. 3, whereby the Court ordered to extend the injunction for three months, counted as from its original expiration date, with the scope provided.

5. Partial Prepayment of the Loan Executed by Cablevisión Holding

On May 13, 2019, the Company made a partial prepayment of principal in the amount of US\$ 29.2 million, plus interest, pursuant to the terms and conditions of the loan, which sets out that the collections of dividends by the Company shall be applied to the prepayment of the Loan. As of the date of these financial statements, the outstanding principal amount of the loan amounts to US\$ 188.1 million.

NOTE 13 - APPROVAL OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

The Company's Board of Directors has approved these interim condensed separate financial statements and authorized their issuance for May 13, 2019.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

**ADDITIONAL INFORMATION REQUIRED UNDER SECTION No. 12, CHAPTER III, TITLE IV OF THE 2013
RESTATED RULES ISSUED BY THE ARGENTINE SECURITIES COMMISSION**

**SEPARATE FINANCIAL STATEMENTS
AS OF MARCH 31, 2019**

1.a) There are no specific material regulatory regimes currently applicable to the Company that may entail the contingent loss or acquisition of legal benefits.

1.b) Note 1 to the annual separate financial statements as of December 31, 2018 includes additional information about the date on which the Company began operating. Note 6 to the Company's annual separate financial statements as of December 31, 2018 details the reorganization process carried out between Cablevisión S.A. and Telecom Argentina S.A.

2) The classification of receivables and liabilities by maturity is detailed in Note 4.8 to the interim condensed separate financial statements.

3) The classification of receivables and liabilities according to their related financial effects is detailed in Note 4.8 to the interim condensed separate financial statements.

4) Equity interest under Article 33 of Law No. 19,550 is detailed in Note 4.4 of the interim condensed separate financial statements. Accounts receivable from and payable to related parties are disclosed under Note 5 to the interim condensed separate financial statements. The following table summarizes the breakdown of such accounts payable and receivable as per the above points 2) and 3).

	Liabilities
Without any established term	7 ⁽¹⁾
Total	<u>7</u>

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

5) There are no trade receivables or loans to directors, members of the Supervisory Committee and their relatives up to, and including, the second degree of kinship and no such trade receivables or loans existed during the period.

6) The Company does not have any inventories.

7) The Company is not subject to the restrictions under section 31 of Law No. 19,550, since its main corporate purposes are investment and finance.

8) The Company assesses the recoverable value of its long-term investments each time it prepares its financial statements. In the case of investments for which the Company does not book goodwill with an indefinite useful life, it assesses their recoverable value when there is any indication of impairment. In the case of investments for which the Company books goodwill with an indefinite useful life, it assesses their recoverable value by comparing the book value with cash flows discounted at the corresponding discount rate, considering the weighted average capital cost, and taking into consideration the projected performance of the main operating variables of the respective companies.

9) As of March 31, 2019, the Company does not have any tangible property, plant and equipment.

10.a) Booked provisions for contingencies do not exceed, either individually or as a whole, two percent (2%) of the Company's shareholders' equity.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

10.b) As of the date of these interim condensed separate financial statements, the Company does not have any contingent situations, the financial effects of which, if any, have not been booked (see Notes 7 and 8 to the Company's annual separate financial statements as of December 31, 2018 and Note 12 to these financial statements).

11) The Company does not have any irrevocable contributions on account of future share subscriptions.

12) The Company does not have any unpaid cumulative dividends on preferred shares

13) In Note 9.1 to the interim condensed separate financial statements reference is made to the treatment given to retained earnings.

See our report dated May 13, 2019
PRICE WATERHOUSE & CO. S.R.L.

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

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

Free translation from the original prepared in Spanish

REPORT ON REVIEW OF INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Cablevisión Holding S.A.
Legal domicile: Tacuarí 1842, 4th floor,
City of Buenos Aires
Tax ID No. 30-71559123-1

Introduction

We have reviewed the attached interim condensed separate financial statements of Cablevisión Holding S.A. and its controlled subsidiaries (the "Company") which comprise the separate statement of financial position at March 31, 2019, the separate statements of comprehensive income, changes in equity and of cash flows for the three-month period ended on that date and a summary of significant accounting policies and other explanatory information.

The balances and other information corresponding to fiscal year 2018 and interim period are an integral part of the above-mentioned financial statements and, therefore, they should be considered in relation to those financial statements.

Management's responsibility

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

Scope of our review

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

Conclusion

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

Emphasis of Matter

Without modifying our conclusion, we would like to emphasize the information contained in Note 12.2) to the interim condensed separate financial statements, which describes the situation related to the resolution issued by the regulator to calculate the monthly fee payable by the users of television services provided by the subsidiary Telecom Argentina S.A., whose decision cannot be foreseen to date.

Report on compliance with current regulations

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

- a) the interim condensed separate financial statements of Cablevisión Holding S.A. have been transcribed to the “Inventory and Balance Sheet” book and comply with the General Companies Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed separate financial statements of Cablevisión Holding S.A. arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the additional information to the Notes to the interim condensed separate financial statements required by Article 12°, Chapter III, Title IV of the regulations of the Argentine Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2019, the debt accrued in favor of the Argentine Integrated Social Security System of Cablevisión Holding S.A. according to the Company’s accounting records and calculations amounted to \$ 974,704, none of which was claimable at that date.

City of Buenos Aires, May 13, 2019.

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Dr. Carlos A. Pace

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

To the Shareholders of:

Cablevisión Holding S.A.

Tax Identification Number: 30-71559123-1

Registered office: Tacuarí 1842, 4th Floor

City of Buenos Aires

I. INTRODUCTION

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

a) The attached interim condensed separate financial statements of Cablevisión Holding S.A. comprising the separate statement of financial position as of March 31, 2019, the separate statement of comprehensive income for the three-month period ended March 31, 2019, the separate statement of changes in equity and the separate statement of cash flows for the three-month period then ended, and selected explanatory notes.

b) The attached interim consolidated financial statements of Cablevisión Holding S.A. and its subsidiaries comprising the consolidated statement of financial position as of March 31, 2019, the consolidated statement of comprehensive income for the three-month period ended March 31, 2019, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three-month period then ended, and a summary of the significant accounting policies, and other explanatory information.

The balances and other information corresponding to fiscal year 2018 and its interim period are an integral part of the financial statements mentioned above and, therefore, should be considered in relation to those financial statements.

II. RESPONSIBILITY OF THE COMPANY'S MANAGEMENT

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

III. SCOPE OF OUR REVIEW

We conducted our review in accordance with effective statutory auditing standards established by the Argentine General Associations Law (Law No. 19,550, as amended) and by Technical Resolution No. 15 issued by the FACPCE. (amended by Technical Resolution No. 45 issued by the FACPCE). Said standards require that the review of the documents detailed in Point I, paragraphs a) and b) be conducted in accordance with effective audit standards for the review of interim condensed financial statements; that the documents be checked for consistency with the information on corporate decisions stated in minutes and that such decisions conform to the law and the by-laws, in all formal and documentary aspects.

In order to conduct our professional work on the documents detailed in point I., we have reviewed the work performed by the Company's external auditor, Carlos A. Pace, a partner of Price Waterhouse & Co. S.R.L., who issued his reports on May 13, 2019, pursuant to International Standard on Review Engagements 2410 ("ISRE 2410") about "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as a standard of review in Argentina through Technical Resolution No. 33 issued by the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB).

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

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

IV. CONCLUSION

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

V. EMPHASIS OF MATTER

Without modifying our conclusion, we draw attention to the information disclosed under Note 29.2) to the interim condensed consolidated financial statements and under Note 12.2) to the interim condensed separate financial statements, which describe the situation related to the resolution issued by the regulator for the calculation of the monthly fee payable by the users of cable television services provided by the subsidiary Telecom Argentina S.A., whose decision cannot be foreseen to date.

VI. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with effective regulations, we report with respect to Cablevisión Holding S.A. that:

- a) The interim financial statements detailed in Point I, paragraphs a) and b) comply with the provisions of the General Associations Law and the regulations concerning accounting documentation issued by the CNV, and have been transcribed to the Inventory and Statement of Balance Sheet Book.
- b) The financial statements detailed in Point I paragraph a) arise from the Company's accounting records kept, in all formal aspects, in accordance with effective legislation.
- c) Furthermore, we report that in exercise of the legality control within our field of competence, during the three-month period ended March 31, 2019 we have applied the procedures set forth in Section 294 of the General Associations Law, as deemed necessary pursuant to the circumstances and we have no observations to make in that regard.

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- d) We have read the additional information to the notes to the financial statements detailed in Point I paragraph a) required under Article 12, Chapter III, Title IV of CNV regulations, on which, as regards those matters that are within our competence, we have no observations to make.

City of Buenos Aires, May 13, 2019

Supervisory Committee

Pablo San Martín
Chairman