

Cablevisión and Telecom Argentina announce the entering into of a Preliminary Merger Agreement that will enable them to become the leading telecommunications company in convergent solutions to improve people's digital lives

Buenos Aires, June 30, 2017 – Cablevisión Holding S.A. (“CVH”), a spun off company that resulted from the corporate restructuring of Grupo Clarín S.A., announces that its subsidiary Cablevisión S.A. (“Cablevisión”) the #1 paid television provider, the leader in the broadband market in Argentina, and the second largest paid television provider in Uruguay, and Telecom Argentina S.A. (“Telecom Argentina”, and together with Cablevisión, the “Companies”) (NYSE: TEO, BCBA: TECO2), a leading mobile and fixed telecommunication company in Argentina, as well as in mobile telecommunication service in Paraguay, announced today a plan to merge their corporate and operational structures, in order to become a convergent telecommunications provider and participate in the opening of the sector, which pursuant to the regulatory framework in force, is scheduled to begin as of January 2018.

On the date hereof, the board of directors of both Companies have approved a Preliminary Merger Agreement (“*Compromiso Previo de Fusión*”). The proposed transaction is part of a global process of convergence in the provision of fixed and mobile telecommunication services, video and internet distribution referred to as *quadruple play*. The operation will enable the merged company to become a leader in convergent solutions to improve people's digital lives and facilitate the digital operation of companies. The combination of both companies will enhance investment in the latest mobile technology infrastructure as well as the deployment of a high speed fiber optic network.

There is a tendency nowadays, both nationally and internationally, for technological convergence between networks and platforms for the provision of voice, data, sound and image transmission services, both fixed and wireless, in integrated solutions provided to customers (the “Convergence Products”).

In order to offer their customers Convergence Products, the Companies have considered that their respective operational and technical structures are highly complementary and could be enhanced through structural integration, achieving synergies in the development of Convergence Products that will bring significant benefits to the customers, the sector and the economy as a whole. Additionally, the investment plans of the merged company will speed up the development and strengthening of networks in terms of capacity, speed, quality and diversity of services.

The Companies consider that such structural consolidation could be achieved through a merger process in accordance with the provisions of the Argentine General Corporations Law.

The agreement reached between the Companies provides for a merger by absorption of Cablevisión (as absorbed company), by Telecom Argentina (as absorbing company). As a result of the transaction, Telecom Argentina shall increase its share capital by \$1,184,528,406. Consequently, Telecom Argentina will issue, on the effective date of the merger, \$1,184,528,406 shares of common stock, each of which will be registered, have a

nominal value of \$1, hold one vote, and will be issued either as class A shares or as a new class of shares of common stock (the “Class D Shares”), which will be distributed to the shareholders of Cablevisión, in accordance with the agreed exchange ratio.

The exchange ratio approved by the Companies’ board of directors provides for 9,871.07005 shares of Telecom Argentina for each Cablevision share. Thus, CVH, the controlling shareholder of Cablevision, and Fintech Media LLC, Cablevision’s minority shareholder, will receive a total direct and indirect interest in Telecom Argentina equal to 55% after its capital increase. The current shareholders of Telecom Argentina will retain the remaining 45% of the share capital as a result of the merger.

The transaction is subject to the respective shareholder meetings’ approval and to regulatory approvals.

Carlos Moltini, CEO of Cablevisión stated: *“The services offered by both companies are complementary, this merger will allow us to develop a quadruple play proposal for Argentina, which in the world allows clients to access fixed landline, mobile phone, television and broadband internet. We are committed to offering both our residential and corporate clients the best service.”*

LionTree Advisors and Goldman Sachs & Co. LLC served as CVH’s and Cablevision’s financial advisors.

Should you have any queries, please do not hesitate to contact the following person from CVH’s Investor Relations department:

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