

Cablevisión Holding Announces First Half and Second Quarter 2019 Results (1H19 and 2Q19)

Buenos Aires, Argentina, August 12, 2019 – Cablevisión Holding S.A., (“Cablevision Holding”, “CVH” or “the Company” - BCBA: CVH; LSE: CVH; Level 1: CVHSY), controlling shareholder of Telecom Argentina S.A. (NYSE: TEO, BCBA: TECO2), announced today its first half and second quarter 2019 Results. Figures have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are stated in constant Argentine Pesos (“Ps.” or “P\$”) as of June 30, 2019, unless otherwise indicated.

The Company’s Management has applied IAS 29 in the preparation of these financial statements (inflation adjustment) because Resolution 777/18, issued by the Comisión Nacional de Valores (“CNV”), establishes that the restatement will be applied to the annual financial statements.

CVH Highlights (1H19 vs. 1H18):

- Total Revenues reached Ps. 94,756 million, a decrease of 11.5% in real terms as of June 30, 2019, compared to 1H18, mainly driven by lower mobile and cable services revenues.
- Total Costs (Excluding Depreciation and Amortization) reached Ps. 63,070 million, a decrease of 8.4% in constant currency, mainly driven by lower taxes and fees, commissions and advertising and cost of handsets sold.
- EBITDA reached Ps. 31,686 million, a decrease of 17.1% in real terms compared to 1H18, mainly driven by lower revenues. EBITDA Margin was 33.4% in 1H19, compared to 35.7% in 1H18.
- Consolidated Net Income amounted to Ps. 6,333 million. Consolidated Net Income attributable to the Controlling Company amounted to Ps. 2,173 million.

FINANCIAL HIGHLIGHTS

(millions of Ps.in constant
Currency as of June 30, 2019)

	1H19	1H18	% Ch.	2Q19	1Q19	2Q18	QoQ	YoY
Total Revenues	94,756	107,078	(11.5%)	46,235	48,521	53,744	(4.7%)	(14.0%)
EBITDA ⁽¹⁾	31,686	38,222	(17.1%)	15,901	15,785	18,060	0.7%	(12.0%)
EBITDA Margin ⁽²⁾	33.4%	35.7%	(2.3%)	34.4%	32.5%	33.6%	1.9%	0.8%
Income for the period	6,333	(195)	NA	5,568	763	(11,380)	629.5%	(148.9%)
Attributable to:								
Equity Shareholders	2,173	(2,290)	(194.9%)	2,362	(191)	(5,776)	NA	(140.9%)
Non-Controlling Interests	4,160	2,095	98.6%	3,206	954	(5,604)	236.1%	(157.2%)

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

(2) EBITDA Margin is defined as EBITDA over Total Revenues.

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OPERATING RESULTS

Total Revenues reached Ps. 94,756 million, a decrease of 11.5% compared to Ps. 107,078 million in 1H18, mainly driven by lower revenues from Mobile and Cable TV services in constant currency.

Following is a breakdown of Total Revenues:

(millions of Ps.in constant Currency as of June 30, 2019)

	1H19	1H18	YoY	1H19 % of Total	1H18 % of Total
Mobile Services	32,023	37,514	(14.6%)	33.8%	35.0%
Internet Services	21,451	23,953	(10.4%)	22.6%	22.4%
Cable TV Services	20,016	23,066	(13.2%)	21.1%	21.5%
Fixed Telephony and Data Services	14,756	13,752	7.3%	15.6%	12.8%
Other revenues from services	335	382	(12.3%)	0.4%	0.4%
Revenues From Services	88,581	98,667	(10.2%)	93.5%	92.1%
Revenues From Equipment Sales	6,175	8,411	(26.6%)	6.5%	7.9%
Total Revenues	94,756	107,078	(11.5%)	100%	100%

Mobile Services Revenues decreased by 14.6% in real terms. This was mainly the results of the restatement effect as of June 30,2019, which was partially offset by the increase in the mobile plan prices.

In Argentina, Personal mobile subscriber amounted to 18.4 million and around 40% of them are postpaid. Mobile internet revenues reached 78% of service revenues of Personal in Argentina (vs. 55% in 1H18). Thanks to the value proposition of Personal, the Company had a positive net additions (net portability) comparing with the 1Q19, increasing in more than 250 thousand clients. During the last twelve months, mobile ARPU increased 38%, lower than 56.0% inflation, resulting in a 10.6% lower ARPU restarted in constant currency (Ps. 246.5 in 1H19 vs Ps. 275.8 in 1H18). Revenues excluding revenues from equipment sales amounted to Ps 27,910 million.

As of June 30, 2019, Núcleo customer base reached around 2.4 million subscribers, of which 17% are postpaid. Revenues from Núcleo services were Ps 4,113 million in 1H19, an increase of 17.7% compared to 1H18.). Mobile internet revenues represented 49.2% of 1H19 service revenues (vs. 43.3% in 1H18).

Internet Services Revenues dropped 10.4% to Ps. 21,451 in 1H19. Customer base and price increases, as well as the higher speed sold to the internet customers base, were not enough to compensate the 56.0% inflation rate in the year. Of the 4.1 million broadband customers reached in 1H19, around 49% of them subscribed to services with speeds of 20Mb or higher. Monthly churn stood at 2% in 1H19.

In March of 2019, Telecom Argentina started broadband brand integration under Fibertel, customers can choose "Fibertel Lite" for speeds up to 20Mb and Fibertel for speeds up to 100Mb.

Cable TV Services Revenues amounted to Ps. 20,016 million in 1H19, a decrease of 13.2% compared to 1H18. The 29% average price increases in Cable TV plans, lower than inflation, have impacted in ARPU reduction in real terms (as of June 30, 2019) from Ps. 1,091.8 in 1H18 to Ps. 914.8 in 1H19, a decrease of 16.2%.

Fixed Telephony and Data Services Revenues reached Ps. 14,756 million in 1H19, an increase of 7.3% compared with 1H18. The increase was the result of higher Data services revenues, those contracts are mainly set in us dollars and they have been impacted by the FX rate variations. Additionally, prices in fixed

telephony services for both, corporates and residential had increased and ARBU in fixed telephony stood flat in real terms comparing to 1H18.

Consolidated Operating Costs and Expenses (Excluding D&A and impairment of PP&E and intangible assets) totaled Ps. 63,070 million in 1H19, a decrease of Ps. 5,786 million, or 8.4% compared to 1H18. These lower operating costs and expenses were mainly due to lower taxes and fees, commissions and advertising and cost of handsets sold. More than 99.8% of the costs and expenses are related to Telecom Argentina operations.

EBITDA reached Ps. 31,686 million, a decrease of 17.1% from Ps. 38,222 million reported for 1H18, driven by lower revenues mainly in Mobile Services and Cable TV.

Depreciation, amortization and impairment of PP&E, intangible assets and rights-of-use amounted Ps. 22,470 million in 1H19, an increase of 17.0% compared with 1H18. The increase was due to the impact of the amortization of the incorporations after June 30, 2018, as a consequence of the Capex Plan that Telecom Argentina is developing and the effect of the application of IFRS 16 since January 1, 2019.

Equity in earnings from unconsolidated affiliates totaled Ps. 165 million in 1H19, compared to Ps. 176 million in 1H18.

Financial Results net totaled Ps. 4,573 million compared to Ps. (23.041) million in 1H18, as a result of a lower impact of the peso depreciation on dollar denominated debt: positive FX results (including results of NDF) measured in real terms in 1H19 for Ps. 7,089 million (due to a depreciation of the Argentine peso against the US dollar of 13% vs. an inflation of 22% during the same period), while negative FX results measured in real terms were registered in 1H18 for Ps. 22,675 million (due to a depreciation of the Argentine peso against the US dollar of 55% vs. an inflation of 16% during the same period). These results were partially offset by a lower inflation adjustment results.

Income tax as of June 2019 reached Ps. (7,621) million, from Ps. 3,649 million in June 2018.

Net Income for the period totaled Ps. 6,333 million, from Ps. (195) million reported for 1H18. This was mainly a consequence of lower peso depreciation and lower financial costs in 1H19. The Equity Shareholders Income for the period amounted to Ps. 2,173 million.

(millions of Ps.in constant Currency as of June 30, 2019)

	1H19	1H18	YoY	2Q19	1Q19	2Q18	QoQ	YoY
Consolidated Revenues	94,756	107,078	(11.5%)	46,235	48,521	53,744	(4.7%)	(14.0%)
Employee benefit expenses and severance payments	(18,094)	(18,470)	(2.0%)	(8,472)	(9,622)	(9,384)	(12.0%)	(9.7%)
Interconnection and Transmission Costs	(2,987)	(3,341)	(10.6%)	(1,382)	(1,605)	(1,691)	(13.9%)	(18.3%)
Fees for Services, Maintenance, Materials and Supplies	(9,841)	(9,898)	(0.6%)	(4,867)	(4,974)	(5,195)	(2.1%)	(6.3%)
Taxes and Fees with the Regulatory Authority	(7,521)	(8,724)	(13.8%)	(3,707)	(3,814)	(4,442)	(2.8%)	(16.5%)
Commissions and Advertising	(5,579)	(6,725)	(17.0%)	(2,822)	(2,757)	(3,570)	2.3%	(21.0%)
Cost of Equipment and Handsets	(4,638)	(6,309)	(26.5%)	(2,249)	(2,389)	(3,441)	(5.9%)	(34.6%)
Programming and Content Costs	(7,143)	(7,557)	(5.5%)	(3,406)	(3,736)	(3,820)	(8.8%)	(10.8%)
Bad Debt Expenses	(2,662)	(2,123)	25.4%	(1,075)	(1,586)	(1,058)	(32.2%)	1.6%
Other Operating Income and Expense	(4,605)	(5,709)	(19.3%)	(2,354)	(2,251)	(3,083)	4.6%	(23.6%)
EBITDA¹	31,686	38,222	(17.1%)	15,901	15,785	18,060	0.7%	(12.0%)
EBITDA Margin²	33.4%	35.7%	(2.3%)	34.4%	32.5%	33.6%	1.9%	0.8%
Net Income	6,333	(195)	NA	5,568	763	(11,380)	629.5%	(148.9%)
Attributable to:								
Controlling Company	2,173	(2,290)	(194.9%)	2,362	(191)	(5,776)	(1339.6%)	(140.9%)
Non-controlling interest	4,160	2,095	98.6%	3,206	954	(5,604)	236.1%	(157.2%)

OPERATING STATISTICS BY BUSINESS SEGMENT

	1H19	1H18	YoY
Mobile Services			
Total Subscribers	20,943	21,459	(2.4%)
Personal (Argentina)	18,408	18,631	(1.2%)
Nextel (Argentina)	182	447	(59.3%)
Nucleo (Paraguay)	2,352	2,381	(1.2%)
Postpaid			
Personal (Argentina)	40%	37%	8.1%
Nextel (Argentina)	76%	82%	(7.3%)
Nucleo (Paraguay)	17%	17%	-
ARPU Personal ⁽²⁾	246.5	275.8	(10.6%)
Churn	2.3%	2.7%	(14.8%)
Broadband Services			
Subscribers	4,132	4,083	1.2%
Speeds >20Mb (% of subs)	49%	29%	69.0%
ARPU ⁽²⁾	867.4	978.5	(11.4%)
Churn ⁽⁴⁾	2.0%	1.5%	33.3%
Cable TV Services			
Cable TV Subs	3,417	3,484	(1.9%)
Argentina Subs	3,276	3,341	(1.9%)
Uruguay Subs	141	143	1.4%
ARPU ⁽²⁾	914.8	1091.8	(16.2%)
Churn ⁽⁴⁾	1.4%	1.3%	7.7%
Fixed Line Services			
Subscribers	3,371	3,679	(8.4%)
ARBU ⁽³⁾	341.2	342.8	(0.5%)

⁽¹⁾ Figures in thousands

⁽²⁾ ARPU = Average Revenue per user (restated by inflation as of June 30, 2019)

⁽³⁾ ARBU = Average Billing per user (restated by inflation as of June 30, 2019)

⁽⁴⁾ Monthly Average Churn

CAPITAL EXPENDITURE (CAPEX)

During 1H19, our subsidiary, Telecom Argentina, invested Ps. 24,120 million, an increase of approximately 2.3% compared to 1H18. The investments were focused on projects aimed to maximize the network capacity and on products and services developed to contribute the customer's needs in terms of connectivity and data availability. Moreover, transmission and transport networks has been extended to unify the different access technologies, reconvertng the copper fixed networks into fiber or coaxial-fiber hybrid networks, in order to face the the increaseing services demand from mobile and fixed clients. In addition, our subsidiary has invested in the charging, billing and relationship systems with customers. Telecom Argentina aims to improve the capacity and coverage of its networks, which is a key factor, not only for the transformation towards convergent services, but also to leverage the content business, with Flow as an integral content platform and entertainment center. In relative terms, investments reached 25.5% of consolidated revenues in 1H19, compared to 22.0% in 1H18.

Personal's 4G network, the fastest in Argentina, continues growing all around the country: there are more than 13.1 million clients who are able to use the service in more than 1,630 localities and in all the provinces' capitals cities.

DEBT AND LIQUIDITY

<i>(In millions of Ps.)</i>	June 2019	December 2018	% Change
Short Term and Long-Term Debt			
<u>Current Financial Debt</u>	25,341	34,549	(26.7%)
Bank overdraft	4,268	2,786	53.2%
Financial loans	12,768	25,850	(50.6%)
Acquisition of equipment	966	1,283	(24.7%)
NDF	1,297	122	NA
Accrued interest	6,042	4,508	34.0%
<u>Non-Current Financial Debt</u>	81,030	72,547	11.7%
Negotiable obligations	19,724	23,050	(14.4%)
Financial loans	51,780	41,936	23.5%
NDF	10	0	NA
Acquisition of equipment	1,381	1,262	9.4%
Accrued interest	8,135	6,299	29.1%
<u>Total Financial Debt (A)</u>	106,371	107,096	(0.7%)
Cash and Cash Equivalents (B)	24,425	17,807	37.2%
Net Debt (A) – (B)	81,946	89,289	(8.2%)
Net Debt/Adjusted Ebitda ⁽¹⁾	1.3	1.2	4.2%
% USD Debt	98.3%	94.8%	0.6%
% PYG Debt	0.7%	2.6%	1.0%
% ARS Debt	1.0%	2.6%	(1.6%)

Total Financial Debt⁽¹⁾ decreased from Ps. 107,096 million to Ps. 106,371 million and **and Net Debt** decreased from Ps 89,289 to Ps. 81,946.

Debt coverage ratio ⁽¹⁾ as of June 30th, 2019 was 1.3x in the case of Net Debt and of 1.7x in terms of Total Financial Debt.

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

CVH Standalone Debt

<i>(In millions of Ps.)</i>	June 2019	Dec 2018	% change
Short Term and Long-Term Debt			
<u>Current Financial Debt</u>	11	10,014	NA
Financial loans	0	10,027	NA
Accrued interest	11	10	10%
Measurement at fair Value	0	(23)	NA
<u>Non-Current Financial Debt</u>	7,987	0	NA
Financial loans	7,987	0	NA
<u>Total Short Term and Long-Term Debt (A)</u>	7,998	10,014	(20.1%)
Cash and Equivalents (B) ⁽¹⁾	1,319	1,357	(3%)
Net Debt (A)–(B)	6,679	8,657	(23%)

⁽¹⁾ Includes Ps. 348 million and Ps. 366 million of Reserve Account as of June 19 and Dec 18 respectively.

STOCK AND MARKET INFORMATION

Cablevisión Holding trades its stock on the Buenos Aires Stock Exchange (BCBA) and on the London Stock Exchange (LSE), in the form of shares and GDS's, respectively.

CVH (BCBA) Price per Share (ARS)	157.0
CVH or CVHSY Price per GDS (USD)	5.3
Total Shares	180,642,580
Total GDSs	180,642,580
Market Value (USD MM)	957.4
Closing Price	August 12, 2019

CONFERENCE CALL AND WEBCAST INFORMATION

CABLEVISIÓN HOLDING S.A (BCBA: CVH / LSE: CVH)

cordially invites you to participate in its conference call and webcast presentation to discuss Second Quarter 2019 Results

Date: Wednesday, August 14, 2019

Time: 12:00pm Buenos Aires Time/11:00am New York Time/4:00pm London

To access the conference call, please dial:

Argentina Participants: 0-800-666-0250

U.S. Participants: 1-877-830-2576

All other countries: +1-785-424-1726

Passcode: CVH

The 2Q19 results will be accompanied by a webcast presentation. To access the live stream and slide presentation, visit: <https://services.choruscall.com/links/cvhsy190814A7RkOslb.html>

A replay of the conference call will be available four hours after its conclusion, and will remain available for 7 days. To access the replay, please dial from the within the U.S. 1-844-488-7474, or from anywhere outside the U.S. +1-862-902-0129. The passcode is: 16546518

The webcast presentation will be archived at:

<https://www.cablevisionholding.com/Investors/Presentations>

ABOUT THE COMPANY

CVH was funded as corporate spin-off from Grupo Clarín S.A. and it is the first Argentine holding company that engages in the development of infrastructure and the provision of convergent telecommunications services, focusing on Argentina and the region. CVH's subsidiaries specialize in the provision of cable TV, broadband and mobile communications services; and their brands are already well known in the telecommunications and content distribution industries.

Disclaimer

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

CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018,
AND THE THREE-MONTH PERIODS BEGINNING ON APRIL 1 AND ENDED ON JUNE 30, 2019 AND
2018
(in millions of Argentine pesos)

	June 30, 2019	June 30, 2018	April 1, 2019 through June 30, 2019	April 1, 2018 through June 30, 2018
Revenues	94,756	107,078	46,235	53,744
Employee benefit expenses and severance payments	(18,094)	(18,470)	(8,472)	(9,384)
Interconnection and Transmission Costs	(2,987)	(3,341)	(1,382)	(1,691)
Fees for Services, Maintenance, Materials and Supplies	(9,841)	(9,898)	(4,867)	(5,195)
Taxes and Fees with the Regulatory Authority	(7,521)	(8,724)	(3,707)	(4,442)
Commissions and Advertising	(5,579)	(6,725)	(2,822)	(3,570)
Cost of Equipment and Handsets	(4,638)	(6,309)	(2,249)	(3,441)
Programming and Content Costs	(7,143)	(7,557)	(3,406)	(3,820)
Bad Debt Expenses	(2,662)	(2,123)	(1,075)	(1,058)
Other Operating Income and Expense	(4,605)	(5,709)	(2,354)	(3,083)
Operating Income before Depreciation and Amortization	31,686	38,222	15,901	18,060
Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.	(22,470)	(19,201)	(11,529)	(9,909)
Operating Income	9,216	19,021	4,372	8,151
Equity in Earnings from Associates	165	176	52	91
Financial Expenses on Debts	1,976	(19,496)	7,098	(17,936)
Other Financial Results, net	2,597	(3,545)	(2,085)	(8,007)
Income (Loss) before Income Tax Expense	13,954	(3,844)	9,437	(17,701)
Income Tax	(7,621)	3,649	(3,869)	6,321
Net Income (Loss)	6,333	(195)	5,568	(11,380)
Other Comprehensive Income - to be subsequently reclassified to profit or loss				
Currency Translation Adjustments (no effect on Income Tax)	(1,923)	1,779	(1,389)	2,570
Effect of NDF classified as hedges	(246)	293	(164)	122
Tax Effect of NDF classified as hedges	48	(90)	25	(43)
Other Comprehensive Income, net of Taxes	(2,121)	1,982	(1,528)	2,649
Total Comprehensive Income	4,212	1,787	4,040	(8,731)
Net Income attributable to:				
Shareholders of the Controlling Company	2,173	(2,290)	2,362	(5,776)
Non-Controlling Interest	4,160	2,095	3,206	(5,604)
Total Comprehensive Income (Loss) Attributable to:				
Shareholders of the Controlling Company	1,513	(1,771)	1,897	(5,045)
Non-Controlling Interest	2,699	3,558	2,143	(3,686)
Basic and Diluted Earnings per Share attributable to the Shareholders of the Controlling Company (in pesos)	12.03	(12.66)	13.08	(31.97)

CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND DECEMBER 31, 2018
(in millions of Argentine pesos)

ASSETS	<u>June 30, 2019</u>	<u>December 31, 2018</u>
CURRENT ASSETS		
Cash and Cash Equivalents	19,215	9,126
Investments	1,858	1,678
Trade Receivables	15,605	21,318
Other Receivables	4,063	6,279
Inventories	3,208	3,350
Other Assets	348	366
Total Current Assets	<u>44,297</u>	<u>42,117</u>
NON-CURRENT ASSETS		
Trade Receivables	86	75
Other Receivables	1,919	2,444
Deferred Income Tax Assets	133	143
Investments	4,200	6,849
Goodwill	139,474	139,653
Property, Plant and Equipment ("PP&E")	185,483	183,860
Intangible Assets	69,999	72,598
Right-of-Use Assets	6,906	694
Total Non-Current Assets	<u>408,200</u>	<u>406,316</u>
Total Assets	<u>452,497</u>	<u>448,433</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	22,825	28,017
Financial Debt	25,341	34,549
Salaries and Social Security Payables	6,194	7,289
Taxes Payable	2,548	2,877
Lease Liabilities	2,281	-
Other Liabilities	1,566	1,957
Provisions	900	911
Total Current Liabilities	<u>61,655</u>	<u>75,600</u>
NON-CURRENT LIABILITIES		
Accounts Payable	738	698
Financial Debt	81,030	72,547
Salaries and Social Security Payables	466	425
Deferred Income Tax Liabilities	37,352	30,041
Taxes Payable	19	32
Lease Liabilities	2,883	-
Other Liabilities	1,275	1,419
Provisions	3,855	4,245
Total Non-Current Liabilities	<u>127,618</u>	<u>109,407</u>
Total Liabilities	<u>189,273</u>	<u>185,007</u>
EQUITY (as per the corresponding statement)		
Attributable to Shareholders of the Parent Company	104,016	102,503
Attributable to Non-Controlling Interests	159,208	160,923
TOTAL EQUITY	<u>263,224</u>	<u>263,426</u>
TOTAL LIABILITIES AND EQUITY	<u>452,497</u>	<u>448,433</u>

CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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	4,878	11,893	16,952	(1,382)	(8)	170	8,327	16,897	40,956	20,212	61,168
Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	-	(122)	(122)	(88)	(210)
Effect of the Merger	-	-	-	-	-	63,269	-	-	-	63,269	157,253	220,522
Set-up of reserves	-	-	-	-	-	-	-	2,920	(2,920)	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(21,502)	(21,502)
Changes in Other Reserves	-	-	-	-	-	(62)	-	-	-	(62)	(100)	(162)
Net income (loss) for the period	-	-	-	-	-	-	-	-	(2,290)	(2,290)	2,095	(195)
Other Comprehensive Income	-	-	-	-	519	-	-	-	-	519	1,463	1,982
Balances as of June 30, 2018	181	4,878	11,893	16,952	(863)	63,199	170	11,247	11,565	102,270	159,333	261,603
Balances as of January 1, 2019	181	4,877	11,894	16,952	(840)	63,082	169	11,246	11,894	102,503	160,923	263,426
Set-up of Reserves (Note 26.1)	-	-	-	-	-	-	842	70,567	(71,409)	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(4,414)	(4,414)
Net income (loss) for the period	-	-	-	-	-	-	-	-	2,173	2,173	4,160	6,333
Other Comprehensive Income	-	-	-	-	(660)	-	-	-	-	(660)	(1,461)	(2,121)
Balances as of June 30, 2019	181	4,877	11,894	16,952	(1,500)	63,082	1,011	(2) 81,813	(57,342)	104,016	159,208	263,224

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

(2) Broken down as follows: (i) Voluntary Reserve for Illiquid Results of \$ 67,126, (ii) Voluntary Reserve for Financial Obligations of \$ 14,688.



CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(in millions of Argentine pesos)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<u>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>		
Net Income (Loss)	6,333	(195)
Adjustments to reconcile net income to net cash flows provided by operating activities		
Allowances Deducted from Assets and Provisions for Lawsuits and Other Contingencies	2,977	2,216
Depreciation of PP&E	17,948	15,627
Amortization of Intangible Assets	3,119	3,275
Amortization of Rights of Use	1,314	50
Equity in Earnings from Associates	(165)	(176)
Impairment of PP&E	89	249
Net Book Value of PP&E	(28)	224
Financial Results and Other	410	21,400
Income Tax Expense	7,621	(3,649)
Income Tax Paid	(800)	(6,703)
Decrease (Increase) in Assets, Net	3,669	(3,918)
Net Increase in Liabilities	(7,856)	(1,926)
Net Cash Flows provided by Operating Activities	<u>34,631</u>	<u>26,474</u>
<u>CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES</u>		
PP&E Acquisitions	(21,004)	(21,817)
Intangible Assets Acquisition	(678)	(1,755)
Acquisition of an equity interest in CV Berazategui	-	(302)
Collection of Dividends	107	61
Cash Incorporated under the Merger	-	5,037
Income from Sale of PP&E and Intangible Assets	1	6
Investments not considered as cash and cash equivalents	1,471	2,413
Net Cash Flows used in Investing Activities	<u>(20,103)</u>	<u>(16,357)</u>
<u>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</u>		
Proceeds from Financial Debt	21,915	36,151
Payment of Financial Debt	(15,352)	(20,422)
Payment of Interest and Related Expenses	(3,850)	(2,217)
Payment of Lease Liabilities	(1,586)	-
(Increase) / Decrease in the Reserve Account	(9)	442
Payment of Cash Dividends to Non-Controlling Interests	(3,998)	(23,200)
Net Cash Flows used in Financing Activities	<u>(2,880)</u>	<u>(9,246)</u>
NET INCREASE IN CASH FLOWS	11,648	871
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:	9,126	9,063
EFFECTS OF EXCHANGE RATE DIFFERENCES AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS	(1,559)	2,525
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>19,215</u>	<u>12,459</u>