



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2017

Summary of Activity

As of September 30, 2017, we have 2.9 million open accounts. These customers made more than 37 million purchases during the last quarter, which represents a 5% increase over the same period last year. If we measure the average consumption per active account during such period, there was a 29% increase at current values.

Profit before Income Tax as of September 30 amounted to AR\$ 2,643 million, and the Equity exceeded AR\$ 6,047 million.

Highlights

In April 2017, the Company issued Argentine Peso-linked Class XXXVII Notes (*"Obligaciones Negociables"*) for an aggregate principal amount of US\$ 250 million (equivalent to AR\$ 3,845.7 million).

During the nine-month period ended September 30, 2017, the Company borrowed AR\$ 546 million under Bank and Financial Loans and Cash Advances in Current Account, while other credit facilities for AR\$ 364 million were extended.

Furthermore, during the period under review, the Company repaid principal and interest in respect of Notes (*"Obligaciones Negociables"*), Bank and Financial Loans and Finance Leases for AR\$ 4,473 million and US\$ 69.7 million, respectively.

Review of Operations as of September 30

Renovation of Naranja

Naranja has introduced a change in image to leverage its products, services and attributes; such as omni-channel, innovation and growth.

Nevada's Merger into Naranja

In August, Naranja has initiated the merger process of Tarjeta Cuyana, owner of Nevada, the leading credit card in Mendoza and San Juan.

The merger underlies the strategic decision of further strengthening Naranja's footprint nationwide by attaining larger scale in the business.

Culture and Experiences at Casa Naranja

Naranja has launched its 2017 cultural agenda with a historical exhibition by Marta Minujín at Casa Naranja. The exhibition was held until late July and convened over 14,000 visitors. Since September through year-end, the visual arts exhibition will be led by Antonio Seguí, featuring his urban and mountain landscapes.

In August, Naranja, in association with HBO, invited people to live the Game of Thrones' experience at Casa Naranja. The event convened over 15,000 visitors who took pictures at the emblematic Iron Throne.

Discounts and Better Options for Customers

During the summer, Naranja offered special benefits at the major tourist attractions in Argentina, in categories such as cuisine, entertainment, hotels and transport. In March, the Company relaunched discounts of up to 30% and 3 interest-free payments. These promotions will be maintained throughout the year on the major brands and at shopping centers in Argentina.

In terms of digital technology, the Company has developed the Naranja App, a mobile platform that allows account holders to check their account information and download statements, recharge mobile phone credit and search for promotions, among other features.

In addition, the Company added Naranja Plus, a new payment option that allows customers to finance their purchases in installments (both in Argentine Pesos and U.S. Dollars), applicable to transactions made with any card issued by Naranja.

In June, the Company opened a new branch in San Isidro, Buenos Aires, featuring a dedicated self-service area.

Naranja Landed in Entertainment with HBO

Since June, Naranja has offered its customers HBO GO - HBO's premium platform - as an on-line subscription service.

Outlook

Following the issuance of Argentine Peso-linked Class XXXVII Notes (*"Obligaciones Negociables"*) for an aggregate principal amount of US\$ 250 million, we have managed to reduce our financial costs and improve the average financing term.

Since April, a voluntary reduction in the maximum fee applicable to merchants' sales has been in place, dropping from 3% to 2.5%.

We have seen excellent results during the first nine months of the year, due to a roughly 47% increase in the operating revenue, net of provision for loan losses, compared to the same period the previous year, while operating expenses rose by around 33%.

In the light of these facts, we are optimistic about this year's overall performance.

The second phase of the voluntary reduction in the maximum fee applicable to merchants' sales will take place in January 2018, when such fee will fall to 2.35%.

TARJETA NARANJA S.A.'S COMPARATIVE STATISTICAL DATA FOR CURRENT AND PREVIOUS PERIODS

(This information is not within the scope of the Independent Auditors' Report)

TARJETA NARANJA S.A.'S USERS

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|---|----------|----------|----------|----------|----------|
| Open Accounts (in Thousands) | 2,948 | 2,915 | 2,725 | 2,500 | 2,502 |
| Monthly Average Consumption per Active Account (AR\$ at Face Value) | 3,394 | 2,635 | 1965 | 1,449 | 1,146 |

TRANSACTIONS AT SUBSCRIBED STORES

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|---|----------|----------|----------|----------|----------|
| Transactions during the Last Quarter (in Thousands), Including Other Brands | 37,280 | 35,674 | 31,453 | 30,001 | 29,925 |
| Average Fee | 2.27% | 2.75% | 2.78% | 2.78% | 2.80% |

NUMBER OF TARJETA NARANJA S.A.'S AUTHORIZED CREDIT CARDS (in Thousands)

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|-----------------|----------|----------|----------|----------|----------|
| Tarjeta Naranja | 4,232 | 4,198 | 3,955 | 3,662 | 3,662 |
| Visa | 3,140 | 4,085 | 3,546 | 3,038 | 2,604 |
| Mastercard | 577 | 706 | 647 | 525 | 515 |
| Amex | 44 | 57 | 45 | 36 | 34 |

COMPARATIVE CHART OF BALANCE SHEET (in Thousands of AR\$)

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|------------------------------------|------------|------------|------------|------------|-----------|
| Current Assets | 24,134,484 | 20,455,766 | 14,338,611 | 11,506,095 | 8,785,102 |
| Assets Classified as Held for Sale | - | - | - | 7,479 | - |
| Non-current Assets | 1,935,596 | 1,443,516 | 1,096,189 | 892,208 | 695,437 |
| Assets | 26,070,080 | 21,899,282 | 15,434,800 | 12,405,782 | 9,480,539 |
| Current Liabilities | 13,744,038 | 15,299,941 | 10,147,243 | 8,422,547 | 6,008,274 |
| Non-current Liabilities | 6,278,252 | 2,396,071 | 2,141,573 | 1,718,150 | 1,676,393 |
| Liabilities | 20,022,290 | 17,696,012 | 12,288,816 | 10,140,697 | 7,684,667 |
| Equity | 6,047,790 | 4,203,270 | 3,145,984 | 2,265,085 | 1,795,872 |

COMPARATIVE CHART OF STATEMENTS OF PROFIT OR LOSS (in Thousands of AR\$)

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating Revenue | 8,026,131 | 5,348,159 | 3,963,888 | 2,994,775 | 2,499,332 |
| Operating Revenue, Net of Provision for Loan Losses | 7,136,614 | 4,852,297 | 3,742,842 | 2,618,058 | 2,137,166 |
| Total Operating Expenses | (4,496,401) | (3,379,109) | (2,413,073) | (1,907,520) | (1,597,272) |
| Income from Investments Accounted for Using the Equity Method | 2,413 | 1,910 | 2,237 | 1,700 | 1,237 |
| Profit before Income Tax | 2,642,626 | 1,475,098 | 1,332,006 | 712,238 | 541,131 |
| Income Tax Expense | (916,267) | (508,173) | (466,781) | (243,403) | (185,924) |
| Profit for the Period (from Continuing Operations) | 1,726,359 | 966,925 | 865,225 | 468,835 | 355,207 |
| Loss for the Period (from Discontinued Operations) | - | - | - | (15,484) | (9,626) |
| Profit for the Period | 1,726,359 | 966,925 | 865,225 | 453,351 | 345,581 |

COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS (in Thousands of AR\$)

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Cash Inflow / (Outflow) from Operating Activities | 1,686,746 | (1,199,209) | 198,803 | 183,199 | (599,051) |
| Net Cash Inflow / (Outflow) from Investing Activities | (160,535) | 447,997 | (365,443) | (101,097) | (58,354) |
| Net Cash (Outflow) / Inflow from Financing Activities | (2,170,463) | 1,641,151 | (518,873) | (125,507) | 732,707 |
| Total Net Cash (Outflow) / Inflow during the Period | (644,252) | 889,939 | (685,513) | (43,405) | 75,302 |

RATIOS

| | 09.30.17 | 09.30.16 | 09.30.15 | 09.30.14 | 09.30.13 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Liquidity | 1.756 | 1.337 | 1.413 | 1.366 | 1.462 |
| Indebtedness | 3.311 | 4.210 | 3.906 | 4.477 | 4.279 |
| Solvency | 0.302 | 0.238 | 0.256 | 0.223 | 0.234 |
| Tied-up Capital | 0.074 | 0.066 | 0.071 | 0.072 | 0.073 |
| Profitability for the Period | 0.322 | 0.292 | 0.310 | 0.216 | 0.206 |

Statement of Profit or Loss

For the nine-month periods ended September 30, 2017 and 2016

Expressed in thousands of Argentine Pesos

| | Accumulated | | Quarter | |
|--|----------------------|--------------------|--------------------|--------------------|
| | 01.01.2017 | 01.01.2016 | 07.01.2017 | 07.01.2016 |
| | 09.30.2017 | 09.30.2016 | 09.30.2017 | 09.30.2016 |
| | In Thousands of AR\$ | | | |
| Revenues from Services | 4,937,153 | 3,628,860 | 1,780,213 | 1,364,080 |
| Costs of Services | (683,122) | (619,169) | (242,750) | (232,189) |
| Net Revenues from Services | 4,254,031 | 3,009,691 | 1,537,463 | 1,131,891 |
| Revenues from Financing | 5,024,208 | 3,544,351 | 1,724,739 | 1,267,961 |
| Costs of Financing | (1,380,989) | (1,257,940) | (446,646) | (415,926) |
| Net Revenues from Financing | 3,643,219 | 2,286,411 | 1,278,093 | 852,035 |
| Net Income from Short-term Investments | 128,881 | 52,057 | 39,038 | 25,665 |
| Operating Revenue | 8,026,131 | 5,348,159 | 2,854,594 | 2,009,591 |
| Provision for Loan Losses | (889,517) | (495,862) | (249,185) | (197,928) |
| Operating Revenue, Net of Provision for Loan Losses | 7,136,614 | 4,852,297 | 2,605,409 | 1,811,663 |
| Employee Benefits Expenses | (1,816,316) | (1,452,498) | (652,956) | (513,677) |
| Taxes and Charges | (1,135,490) | (856,515) | (401,580) | (325,848) |
| Marketing Expenses | (206,180) | (163,975) | (58,819) | (57,364) |
| Depreciation and Amortization | (94,927) | (57,266) | (35,420) | (21,690) |
| Other Operating Expenses | (1,243,488) | (848,855) | (453,028) | (320,322) |
| Total Operating Expenses | (4,496,401) | (3,379,109) | (1,601,803) | (1,238,901) |
| Net Profit before Income from Investments Accounted for Using the Equity Method | 2,640,213 | 1,473,188 | 1,003,606 | 572,762 |
| Income from Investments Accounted for Using the Equity Method | 2,413 | 1,910 | 575 | 487 |
| Profit before Income Tax | 2,642,626 | 1,475,098 | 1,004,181 | 573,249 |
| Income Tax Expense | (916,267) | (508,173) | (346,569) | (197,536) |
| Profit for the Period | 1,726,359 | 966,925 | 657,612 | 375,713 |
| Earnings per Share | | | | |
| Basic and Diluted Earnings per Share | 719.32 | 402.89 | 274.01 | 156.55 |
| | 719.32 | 402.89 | 274.01 | 156.55 |

Statement of Other Comprehensive Income

For the nine-month periods ended September 30, 2017 and 2016

Expressed in thousands of Argentine Pesos

| | Accumulated | | Quarter | |
|--|----------------------|----------------|----------------|----------------|
| | 01.01.2017 | 01.01.2016 | 04.01.2017 | 04.01.2016 |
| | 09.30.2017 | 09.30.2016 | 09.30.2017 | 09.30.2016 |
| | In Thousands of AR\$ | | | |
| Profit for the Period | 1,726,359 | 966,925 | 657,612 | 375,713 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income for the Period | 1,726,359 | 966,925 | 657,612 | 375,713 |
| Earnings per Share | | | | |
| Basic and Diluted Earnings per Share | 719.32 | 402.89 | 274.01 | 156.55 |
| | 719.32 | 402.89 | 274.01 | 156.55 |

Balance Sheet

As of September 30, 2017 and December 31, 2016
Expressed in thousands of Argentine Pesos

| | 09.30.2017 | 12.31.2016 | | 09.30.2017 | 12.31.2016 |
|---|----------------------|-------------------|--------------------------------------|----------------------|-------------------|
| | In Thousands of AR\$ | | | In Thousands of AR\$ | |
| ASSETS | | | LIABILITIES | | |
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| Cash and Cash Equivalents | 1,190,388 | 1,831,127 | Trade and Other Payables | 11,314,430 | 11,754,729 |
| Receivables from Trade | 22,712,510 | 21,244,856 | Borrowings | 1,043,857 | 4,477,785 |
| Other Receivables | 231,586 | 344,561 | Employee Benefit Obligations | 407,817 | 422,072 |
| | | | Current Tax Liabilities | 505,115 | 433,927 |
| | | | Other Liabilities | 18,458 | 21,677 |
| | | | Income Tax Provision | 454,361 | 300,427 |
| Total Current Assets | 24,134,484 | 23,420,544 | Total Current Liabilities | 13,744,038 | 17,410,617 |
| NON-CURRENT ASSETS | | | NON-CURRENT LIABILITIES | | |
| Receivables from Trade | 770,548 | 534,188 | Borrowings | 6,236,576 | 2,867,023 |
| Other Receivables | 4,527 | 4,728 | Provisions | 41,676 | 38,806 |
| Deferred Tax Assets | 373,545 | 317,297 | | | |
| Investments Accounted for Using the Equity Method | 12,578 | 10,673 | | | |
| Property, Plant and Equipment | 622,308 | 566,500 | | | |
| Intangible Assets | 152,090 | 143,947 | | | |
| Total Non-current Assets | 1,935,596 | 1,577,333 | Total Non-current Liabilities | 6,278,252 | 2,905,829 |
| | | | Total Liabilities | 20,022,290 | 20,316,446 |
| | | | EQUITY | 6,047,790 | 4,681,431 |
| Total Assets | 26,070,080 | 24,997,877 | Total Liabilities and Equity | 26,070,080 | 24,997,877 |