



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

Summary of Activity

As of June 30, 2017, we have 2.9 million open accounts, thus achieving a 1% growth compared to the same period of the previous year. These customers made more than 37 million purchases during the last quarter, which represents a 6% increase over the same period last year. If we measure the average consumption per active account during such period, there was a 30% increase at current values.

Profit before Income Tax as of June 30 amounted to AR\$ 1,638 million and the Equity exceeded AR\$ 5,390 million.

Highlights

During the first semester of 2017, the Company issued Argentine Peso-linked Class XXXVII Notes ("*Obligaciones Negociables*") for an aggregate principal amount of USD250 million (equivalent to AR\$ 3,845.7 million).

During the same period, new loans and cash advances in current account amounted to AR\$ 546 million, while other credit facilities were extended amounting to AR\$ 364 million.

Furthermore, the Company repaid principal and interest in respect of Notes ("*Obligaciones Negociables*"), Bank and Financial Loans and Finance Leases for AR\$ 3,956 million and US\$ 69.7 million, respectively.

Review of Operations as of June 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.

Marta Minujín in Casa Naranja

Naranja has launched its 2017 cultural agenda with ***Pasaporte a lo imposible*** (*Passport to the Impossible*), a historical exhibition by Marta Minujín.

This is the first exhibition this renowned artist stages in Córdoba. It will be held at Casa Naranja until late July and has already convened 10,500 visitors.

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 as part of the campaign *Somos así. Queremos más gente así* (*We Are like this. We Want more People like this!*), linked to its new identity. These promotions were maintained throughout April, May and June 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 GO

Since June, Naranja has offered its customers HBO GO - HBO's premium platform - as an on-line subscription service, at AR\$ 175 per month.

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%.

The first half of the year has delivered excellent results, due to a roughly 50% 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 35%.

In the light of the results achieved year-to-date, we are optimistic about this year's performance, taking into account the reduction in merchants' fees and the improvement in financial costs as mentioned above.

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

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

TARJETA NARANJA S.A.'S USERS

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Open Accounts (in Thousands)	2,911	2,883	2,645	2,464	2,440
Monthly Average Consumption per Active Account (AR\$ at Face Value)	3,305	2,537	1,905	1,393	1,116

TRANSACTIONS AT SUBSCRIBED STORES

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Transactions during the Last Quarter (in Thousands), Including Other Brands	37,040	35,003	32,110	30,152	29,684
Average Fee	2.33%	2.77%	2.82%	2.82%	2.85%

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

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Tarjeta Naranja	4,182	4,150	3,849	3,610	3,576
Visa	3,331	3,863	3,369	2,870	2,604
Mastercard	616	692	614	521	504
Amex	47	51	43	34	34

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

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Current Assets	23,174,357	18,698,951	13,800,767	11,012,617	8,090,376
Assets Classified as Held for Sale	-	-	-	7,254	-
Non-current Assets	1,757,792	1,327,307	997,066	835,440	703,961
Assets	24,932,149	20,026,258	14,797,833	11,855,311	8,794,337
Current Liabilities	13,263,125	14,610,852	9,686,273	8,095,873	5,462,264
Non-current Liabilities	6,278,846	1,587,849	2,316,303	1,725,901	1,675,668
Liabilities	19,541,971	16,198,701	12,002,576	9,821,774	7,137,932
Equity	5,390,178	3,827,557	2,795,257	2,033,537	1,656,405

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

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Operating Revenue	5,171,537	3,338,568	2,500,347	1,875,330	1,607,126
Operating Revenue, Net of Provision for Loan Losses	4,531,205	3,040,634	2,317,305	1,586,590	1,346,748
Total Operating Expenses	2,894,598	2,140,208	1,535,679	1,231,221	1,022,764
Share of Net Profit of Associates Accounted for Using the Equity Method	1,838	1,423	1,336	1,032	6,549
Profit before Income Tax	1,638,445	901,849	782,962	356,401	317,435
Income Tax Expense	569,698	310,637	268,464	119,114	110,193
Profit for the Period (from Continuing Operations)	1,068,747	591,212	514,498	237,287	207,242
Loss for the Period (from Discontinued Operations)	-	-	-	(15,484)	-
Profit for the Period	1,068,747	591,212	514,498	221,803	207,242

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

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Net Cash Inflow / (Outflow) from Operating Activities	1,308,396	(952,180)	116,986	(76,154)	(470,189)
Net Cash (Outflow) / Inflow from Investing Activities	(309,404)	512,084	16,142	(157,935)	(46,015)
Net Cash (Outflow) / Inflow from Financing Activities	(2,557,243)	597,318	(423,756)	17,600	410,493
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,558,251)	157,222	(290,628)	(216,489)	(105,711)

RATIOS

	06.30.17	06.30.16	06.30.15	06.30.14	06.30.13
Liquidity	1.747	1.280	1.425	1.360	1.481
Indebtedness	3.625	4.232	4.294	4.830	4.309
Solvency	0.276	0.236	0.233	0.207	0.232
Tied-up Capital	0.071	0.066	0.067	0.070	0.080
Profitability for the Period	0.212	0.161	0.197	0.112	0.129

Statement of Profit or Loss

For the six-month periods ended June 30, 2017 and 2016
Expressed in thousands of Argentine Pesos

	Accumulated		Quarter	
	01.01.2017	01.01.2016	04.01.2017	04.01.2016
	06.30.2017	06.30.2016	06.30.2017	06.30.2016
	AR\$			
Revenues from Services	3,156,940	2,264,780	1,591,158	1,160,502
Costs of Services	(440,372)	(386,980)	(239,829)	(223,134)
Net Revenues from Services	2,716,568	1,877,800	1,351,329	937,368
Revenues from Financing	3,299,469	2,276,390	1,698,122	1,129,847
Costs of Financing	(934,343)	(842,014)	(499,409)	(417,114)
Net Revenues from Financing	2,365,126	1,434,376	1,198,713	712,733
Net Income from Short-term Investments	89,843	26,392	59,173	7,886
Operating Revenue	5,171,537	3,338,568	2,609,215	1,657,987
Provision for Loan Losses	(640,332)	(297,934)	(353,814)	(160,732)
Operating Revenue, Net of Provision for Loan Losses	4,531,205	3,040,634	2,255,401	1,497,255
Employee Benefits Expenses	(1,163,360)	(938,821)	(620,327)	(525,915)
Taxes and Charges	(733,910)	(530,667)	(375,025)	(277,758)
Marketing Expenses	(147,361)	(106,611)	(85,766)	(67,372)
Depreciation and Amortization	(59,507)	(35,576)	(31,447)	(19,702)
Other Operating Expenses	(790,460)	(528,533)	(431,253)	(274,932)
Total Operating Expenses	(2,894,598)	(2,140,208)	(1,543,818)	(1,165,679)
Net Profit before Share of Net Profit of Associates Accounted for Using the Equity Method	1,636,607	900,426	711,583	331,576
Share of Net profit of Associates Accounted for Using the Equity Method	1,838	1,423	919	592
Profit before Income Tax	1,638,445	901,849	712,502	332,168
Income Tax Expense	(569,698)	(310,637)	(250,050)	(113,786)
Profit for the Period	1,068,747	591,212	462,452	218,382
Earnings per Share				
Basic and Diluted Earnings per Share	445.31	246.34	192.69	90.99

Statement of Other Comprehensive Income

For the six-month periods ended June 30, 2017 and 2016

Expressed in thousands of Argentine Pesos

	Accumulated		Quarter	
	01.01.2017	01.01.2016	04.01.2017	04.01.2016
	06.30.2017	06.30.2016	06.30.2017	06.30.2016
	AR\$			
Profit for the Period	1,068,747	591,212	462,452	218,382
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	1,068,747	591,212	462,452	218,382
Earnings per Share				
Basic and Diluted Earnings per Share	445.31	246.34	192.69	90.99

Balance Sheet

As of June 30, 2017 and December 31, 2016

Expressed in thousands of Argentine Pesos

	06.30.2017	12.31.2016		06.30.2017	12.31.2016
	AR\$			AR\$	
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Cash Equivalents	545,831	1,831,127	Trade and Other Payable	10,652,542	11,754,729
Investments	208,795	-	Borrowings	1,393,909	4,477,785
Receivable from Trade	22,190,529	21,244,856	Employee Benefit Obligations	410,016	422,072
Other Receivables	229,202	344,561	Current tax Liabilities	480,452	433,927
			Other Liabilities	13,730	21,677
			Income Tax Provision	312,476	300,427
Total Current Assets	23,174,357	23,420,544	Total Current Liabilities	13,263,125	17,410,617
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES		
Receivables from Trade	628,833	534,188	Borrowings	6,235,792	2,867,023
Other Receivables	4,657	4,728	Provisions	43,054	38,806
Deferred Tax Assets	351,602	317,297			
Investments Accounted for Using the Equity Method	12,003	10,673			
Property, Plant and Equipment	608,467	566,500			
Intangible Assets	152,230	143,947			
Total Non-current Assets	1,757,792	1,577,333	Total Non-current Liabilities	6,278,846	2,905,829
			Total Liabilities	19,541,971	20,316,446
			EQUITY	5,390,178	4,681,431
Total Assets	24,932,149	24,997,877	Total Liabilities and Equity	24,932,149	24,997,877