

TELECOM ARGENTINA SA  
Form 20-F  
April 20, 2018  
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As filed with the Securities and Exchange Commission on April 20, 2018

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

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**FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2017**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the transition period from                      to**

**OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report . . . . .

For the transition period from to

Commission file number: 1-13464

**TELECOM ARGENTINA S.A.**

(Exact name of Registrant as Specified in its charter)

**Republic of Argentina**

(Jurisdiction of incorporation or organization)

**Alicia Moreau de Justo 50**

**(C1107AAB) - Buenos Aires**

**Argentina**

(Address of Principal Executive Offices)

**Gabriel Blasi**

**(Tel: 54-11- 4968-4019, Fax: 54-11-4313-9801, E-mail: GBlasi@teco.com.ar,**

**Alicia Moreau de Justo 50, 10th Floor, (C1107AAB), Buenos Aires, Argentina)**  
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
<b>American Depositary Shares, representing Class B Ordinary Shares Class B Ordinary Shares, nominal value P\$1.00 per share</b>	<b>New York Stock Exchange New York Stock Exchange*</b>

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\* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

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Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Class A Ordinary Shares, nominal value P\$1.00 each	340,994,852
Class B Ordinary Shares, nominal value P\$1.00 each	627,930,005
Class C Ordinary Shares, nominal value P\$1.00 each	234,748

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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**PRESENTATION OF FINANCIAL INFORMATION**

Telecom Argentina S.A. is a company incorporated under the laws of Argentina. As used in this Annual Report on Form 20-F (the "Form 20-F" or "Annual Report"), the terms "the Company," "Telecom," "Telecom Group," "we," "us," and "our" refer to Telecom Argentina S.A. and its consolidated subsidiaries as of December 31, 2017. Unless otherwise stated, references to the financial results of "Telecom" are to the consolidated financial results of Telecom Argentina and its consolidated subsidiaries. The Telecom Group is engaged in the provision of fixed and mobile telecommunications services.

The term "Telecom Argentina" refers to Telecom Argentina S.A. excluding its subsidiaries, as of December 31, 2017, Núcleo S.A., Personal Envíos S.A. ("Envíos"), Tuves Paraguay S.A., Telecom Argentina USA Inc. ("Telecom Argentina USA") and Micro Sistemas S.A. ("Micro Sistemas"). Telecom Argentina is engaged in the provision of fixed telecommunication services in Argentina. The terms "Telecom Personal" or "Personal" refer to Telecom Personal S.A., our subsidiary until November 30, 2017 and then absorbed by Telecom Argentina (See Item 4 "Information on the Company - Recent Developments - The Reorganization"), which was engaged in the provision of mobile telecommunication services in Argentina. The term "Núcleo" refers to Núcleo S.A., a subsidiary engaged in the provision of mobile telecommunication services in Paraguay. Envíos is Núcleo's subsidiary engaged in the provision of mobile financial services in Paraguay and Tuves Paraguay, is Núcleo's subsidiary whose main purpose is the provision of telecommunications services and also the distribution of digital audio and television signals to homes in Paraguay, in accordance with the license granted by CONATEL. Telecom Argentina USA Inc. is our subsidiary engaged in the provision of telecommunication services in USA and Micro Sistemas is a Telecom Argentina subsidiary whose corporate purpose is the provision of electronic payment services in Argentina which had no activities since 2001.

Our Consolidated Financial Statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, and the notes thereto (the "Consolidated Financial Statements") are set forth on pages F-1 through F-115 of this Annual Report.

Our Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and have been approved by resolution of the Board of Directors' meeting held on March 7, 2018 and have been audited by an independent registered public accounting firm.

Telecom Argentina and Micro Sistemas maintain their accounting records and prepare their financial statements in Argentine Pesos, which is their functional currency. Our subsidiaries Núcleo, Envíos, Tuves Paraguay and Telecom Argentina USA, however, maintain their accounting records and prepare their financial statements in Guaraníes (Núcleo, Envíos and Tuves Paraguay) and in U.S. dollars (Telecom Argentina USA), respectively. Our Consolidated Financial Statements include the results of these subsidiaries translated into Argentine Pesos. Assets and liabilities are translated at year-end exchange rates and revenue and expense accounts at average exchange rates for each year presented.

Certain financial information contained in this Annual Report has been presented in U.S. dollars. This Annual Report contains translations of various Argentine Peso amounts into U.S. dollars at specified rates solely for convenience of the reader. You should not construe these translations as representations by us that the Argentine Peso amounts actually represent these U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated. Except as otherwise specified, all references to "US\$", "U.S. dollars" or "dollars" are to United States dollars, references to "EUR," "euro" or "euros" are to the lawful currency of the member states of the European Union and references to "Argentine Pesos" or "pesos" are to Argentine Pesos. Unless otherwise indicated, we have translated the Argentine Peso amounts using a rate of P\$18.65 = US\$1.00, the U.S. dollar ask rate published by the Banco de la Nación Argentina (Argentine National Bank) on December 31, 2017. On April 17, 2018, the exchange rate was P\$20.18 = US\$1.00. As

a result of fluctuations in the Argentine peso/U.S. dollar exchange rate, the exchange rate at such date may not be indicative of current or future exchange rates. Consequently, these translations should not be construed as a representation that the peso amounts represent, or have been or could be converted into, U.S. dollars at that or any other rate. See Item 3 Key Information Exchange Rates , and Item 3 Key Information Risk Factors Risks Relating to Argentina Devaluation of the peso may adversely affect our results of operations, our capital expenditure program and the ability to service our liabilities and transfer funds abroad.

PRESENTATION OF FINANCIAL INFORMATION

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For the purposes of this Annual Report, billion means a thousand million.

Certain amounts and ratios contained in this Annual Report (including percentage amounts) have been rounded up or down to facilitate the summation of the tables in which they are presented. The effect of this rounding is not material. These rounded amounts are also included within the text of this Annual Report.

The contents of our website and other websites referred to herein are not part of this Annual Report.

This Annual Report contains certain terms that may be unfamiliar to some readers. You can find a Glossary of these terms on page 5 of this Annual Report.

Telecom's Consolidated Financial Statements and the selected financial data incorporated in this Annual Report have been prepared on a consolidated basis using Telecom's historical accounting records and represent our historical operations prior to the Merger. As a result, Telecom's historical financial data incorporated in this Annual Report may not be indicative of the future operating results, cash flows or financial position of Telecom upon consummation of the Merger on January 1, 2018. For more information, see note 32 to our Consolidated Financial Statements and Item 3 Key Information Risk Factors Risks Relating to Telecom and its Operations Telecom's Consolidated Financial Statements and the selected financial data included in this Annual Report may not be indicative of, and may differ materially from, our future results of operations after the Merger.

PRESENTATION OF FINANCIAL INFORMATION

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**FORWARD-LOOKING STATEMENTS**

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Certain information included in this Annual Report contains information that is forward-looking, including, but not limited to:

- our expectations for our future performance, revenues, income, earnings per share, capital expenditures, dividends, liquidity and capital structure;
- the synergies expected from the Merger;
- the implementation of our business strategy;
- the changing dynamics and growth in the telecommunications and cable markets in Argentina, Paraguay and Uruguay;
- our outlook for new and enhanced technologies;
- the effects of operating in a competitive environment;
- industry conditions;
- the outcome of certain legal proceedings;
- regulatory and legal developments; and
- other factors identified or discussed under Item 3 Key Information Risk Factors.

This Annual Report contains certain forward-looking statements and information relating to the Telecom Group that are based on current expectations, estimates and projections of our Management and information currently available to the Telecom Group. These statements include, but are not limited to, statements made in Item 3 Key Information Risk Factors, Item 5 Operating and Financial Review and Prospects under the captions Critical Accounting Policies and Trend Information, Item 8 Financial Information Legal Proceedings and other statements about the Telecom Group's strategies, plans, objectives, expectations, intentions, capital expenditures, and assumptions and other statements contained in this Annual Report that are not historical facts. When used in this document, the words anticipate, believe, estimate, expect, intend, plan, will, may and should and other similar expressions are generally intended to identify forward-looking statements.

These statements reflect the current views of the management of the Company with respect to future events. They are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. In addition, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate.

Many factors could cause actual results, performance or achievements of the Telecom Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, among others:

- our ability to successfully implement the Merger and any conditions that may be imposed by the ENACOM and the Antitrust Authority (See Item 4 Information on the Company The Merger );
- our ability to successfully implement our business strategy and to achieve synergies resulting from the Merger;
- our ability to introduce new products and services that enable business growth;
- uncertainties relating to political and economic conditions in Argentina, Paraguay and Uruguay;

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- inflation, the devaluation of the peso, the Guaraní and the Uruguayan peso and exchange rate risks in Argentina, Paraguay and Uruguay;
- restrictions on the ability to exchange pesos into foreign currencies and transfer funds abroad;
- the manner in which the Argentine government regulates Law No. 27,078, the Argentina Digital Law or LAD, as amended by Decree No. 267/15, as well as the impact of the new Telecommunications Law, which has been announced, but has not yet been submitted to Congress;
- the creditworthiness of our actual or potential customers;
- nationalization, expropriation and/or increased government intervention in companies;
- technological changes;
- the impact of legal or regulatory matters, changes in the interpretation of current or future regulations or reform and changes in the legal or regulatory environment in which we operate;
- the effects of increased competition; and
- challenges in integrating the business and operations of the Absorbed Companies, which integration may take longer and be more costly than anticipated and may have unanticipated adverse results relating to the business and operations as existing prior to the Reorganization.

Many of these factors are macroeconomic and regulatory in nature and therefore beyond the control of the Company's management. Should one or more of these risks or uncertainties materialize, or underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, intended, planned or projected. The Company does not intend and does not assume any obligation to update the forward-looking statements contained in this Annual Report.

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These forward-looking statements are based upon a number of assumptions and other important factors that could cause our actual results, performance or achievements to differ materially from our future results, performance or achievements expressed or implied by such forward-looking statements. Readers are encouraged to consult the Company's filings made on Form 6-K, which are periodically filed with or furnished to the United States Securities and Exchange Commission.

FORWARD-LOOKING STATEMENTS

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**GLOSSARY OF TERMS**

The following explanations are not provided as or intended to be technical definitions, but only to assist the general reader to understand certain terms used in this Annual Report.

*2G (second-generation mobile system):* Second-generation protocols using digital encoding and includes GSM, D-AMPS (TDMA) and CDMA. These protocols support high bit rate voice and limited data communications.

*3G (third-generation mobile system):* Third-generation mobile service, designed to provide high speed data, always-on data access, and greater voice capacity. 3G networks allow the transfer of both voice data services (telephony, messaging) and non-voice data (such as downloading Internet information, exchanging email, and instant messaging). The high data speeds, measured in Mbps, are significantly higher than 2G, and 3G networks technology enable full motion video, high-speed Internet access and video-conferencing. 3G technology standards include UMTS, based on WCDMA technology (quite often the two terms are used interchangeably), and CDMA2000.

*4G (fourth-generation mobile system):* Fourth-generation mobile service using the LTE technology (Long Term Evolution technology).

*Absorbed Companies:* Sofora, Nortel and Telecom Personal, companies absorbed by Telecom Argentina after the Reorganization.

*Access (or Accesses):* Connection provided by Telecom Argentina to Internet services.

*ADS:* American Depositary Shares issued by JP Morgan, listed on the New York Stock Exchange, each representing rights to five (5) Class B Shares under a Deposit Agreement.

*ADSL (Asymmetric Digital Subscriber Line):* A type of digital subscriber line technology (DSL); a data communications technology that enables faster data transmission over copper lines than a conventional voiceband modem can provide.

*AFIP (Administración Federal de Ingresos Públicos):* The Argentine federal tax authority.

*AFJP (Administradoras de Fondos de Jubilaciones y Pensiones)*: Private entities that were in charge of managing the funds of the Private Pension and Retirement System established by Law No. 24,241, until its nationalization in November 2008 pursuant to Law No. 26,425.

*AFTIC (Autoridad Federal de Tecnologías de la Información y de las Comunicaciones)*: The decentralized and autonomous agency in the scope of the PEN appointed as the Regulatory Authority in the LAD. AFTIC was replaced by the ENACOM.

*AMBA (Area Metropolitana Buenos Aires)*: An area comprising the Autonomous city of Buenos Aires and the greater Buenos Aires area. Telephone calls within the area are considered local.

*Analog*: A mode of transmission or switching that is not digital, e.g., the representation of voice, video or other not in digital form.

*ANSES*: The Argentine administrator of social security pension and retirement benefits.

*ANSES FGS*: The Fondo de Garantía y Sustentabilidad *del Sistema Integrado Previsional Argentino* managed by ANSES.

*Antitrust Authority*: The Argentine enforcing authority of the antitrust statutes comprising Argentine Law 25,156, as amended, modified or supplemented from time to time, and its related decrees, resolutions and statutes, which currently is the Argentine *Secretaría de Comercio Interior* with the technical assistance of the CNDC.

*Argentina*: Republic of Argentina.

*Argentine GAAP*: Generally Accepted Accounting Principles in Argentina, which we used before the adoption of IFRS.

*ARBU (Average Revenue Billed per User)*: Calculated by dividing total monthly basic charges and traffic revenue excluding public telephony revenue by weighted-average number of fixed lines in service during the period.



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*ARPU (Average Revenue per User):* Calculated by dividing total revenue excluding mainly handset, out collect (wholesale) roaming, cell site rental and activation fee revenue by weighted-average number of subscribers during the period.

*ARSAT (Empresa Argentina de Soluciones Satelitales Sociedad Anónima):* a state-owned company which offers satellite and wholesale services.

*Auction Terms and Conditions:* Terms and Conditions approved by SC Resolution No. 38/14 for the awarding of frequency bands.

*Backbone:* Main connection network (mainly by fiber optics) that connect local areas.

*BADLAR:* Buenos Aires Deposits of Large Amount Rate.

*Basic Telephone Services:* The supply of fixed telecommunications links that form part of the public telephone network, or are connected to such network, and the provision of local and long-distance telephone service (domestic and international).

*BCBA (Bolsa de Comercio de Buenos Aires):* The Buenos Aires Stock Exchange, currently known as the *BYMA (Bolsas y Mercados Argentinos)*.

*BCRA (Banco Central de la República Argentina):* The Central Bank of Argentina.

*Broadband:* Services characterized by a transmission speed of 2 Mbps or more. These services include interactive services such as video telephone/video conferencing (both point-to-point and multipoint); video monitoring; interconnection of local networks; file transfer; high-speed fax; e-mail for moving images or mixed documents; Broadband videotext; video on demand and retrieval of sound programs or fixed and moving images.

*Broadcasting:* Simultaneous transmission of information to all Nodes and terminal equipment of a network.



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*BYMA (Bolsas y Mercados Argentinos S.A.):* The stock market formed by a spin-off of certain assets of the Merval relating to its stock market operations and capital contributions on the Buenos Aires Stock Exchange. Effective April 17, 2017, the listing of all securities listed on Merval were automatically transferred to BYMA, as successor of Merval's activities.

*Cablevisión:* Cablevisión S.A.

*Carrier:* Company that makes available the physical telecommunication network.

*CDMA (Code Division Multiple Accesses):* A digital wireless technology used in radio communication for transmission between a mobile handset and a radio base station. It enables the simultaneous transmission and reception of several messages, each of which has a coded identity to distinguish it from the other messages.

*Cell:* Geographical portion of the territory covered by a base transceiver station.

*Cellular:* A technique used in mobile radio technology to use the same spectrum of frequencies in one network multiple times. Low power radio transmitters are used to cover a Cell (i.e., a limited area) so that the frequencies in use can be reused without interference for other parts of the network.

*CEO:* Chief Executive Officer.

*CFO:* Chief Financial Officer.

*Channel:* The portion of a communications system that connects a source to one or more destinations. Also called circuit, line, link or path.

*CNC (Comisión Nacional de Comunicaciones):* The Argentine National Communications Commission, which was replaced by the AFTIC, which was replaced by the ENACOM (in December 2015).

*CNDC (Comisión Nacional de Defensa de la Competencia):* Argentine Antitrust Commission.

*CNV (Comisión Nacional de Valores):* The Argentine National Securities Commission.

*CONATEL:* National Communications Commission of Paraguay.

*Convergence Products:* The purpose of the Merger is to enable Telecom to efficiently offer, in line with the trend both at a national and international level, technological convergence products between media and telecommunications services, in a separate or independent basis, to provide voice, data, sound and image services, both fixed and wireless, in a single product or groups of products for the benefit of consumers of such multiple individual services.

GLOSSARY OF TERMS

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*COO*: Chief Operating Officer.

*COSO*: Committee of Sponsoring Organizations of the Treadway Commission.

*CPP (Calling Party Pays)*: The system whereby the party placing a call to a mobile handset rather than the mobile subscriber pays for the air time charges for the call.

*CVH*: Cablevisión Holding S.A.

*D-AMPS (Digital-Advanced Mobile Phone Service)*: It is a digital version of AMPS (Advanced Mobile Phone Service), the original Analog standard for mobile telephone service in the United States.

*Decree No. 267/15*: Decree that modifies some aspects of the LAD and Audiovisual Communication Services Law published in the Official Gazette on January 4, 2016. This Decree was subsequently amended by Decree No. 1,340/16 issued by PEN and published in the Official Gazette on January 2, 2017.

*Digital*: A mode of representing a physical variable such as speech using digits 0 and 1 only. The digits are transmitted in binary form as a series of pulses. Digital networks are rapidly replacing the older Analog ones. Digital networks allow for higher capacity and higher flexibility through the use of computer-related technology for the transmission and manipulation of telephone calls. Digital systems offer lower noise interference and can incorporate encryption as a protection from external interference.

*DWDM (Dense Wavelength Division Multiplexing)*: Technology for multiplying and transmitting different wavelengths along a single optical fiber contemporaneously.

*ENACOM (Ente Nacional de Comunicaciones)*: Argentine Communications Body within the scope of the *Ministerio de Modernización*, acting as Regulatory Authority as of the date of this Annual Report. ENACOM absorbed the functions of AFTIC.

*ENTel (Empresa Nacional de Telecomunicaciones)*: National Telecommunications Company which operated the telecommunications system in Argentina prior to the Transfer Date.

*Envíos*: Personal Envíos S.A.

*Fiber Optic*: Thin glass, silica or plastic wires, building the infrastructure base for data transmission. A Fiber Optic cable contains several individual fibers, and each of them is capable of driving a signal (light impulse) at unlimited bandwidth. Fiber Optics are usually employed for long-distance communication: it can transfer heavy data loads, and the signal reaches the recipient, protected from possible disturbances along the way. The driving capacity of Fiber Optics is higher than the traditional copper cable ones.

*Fintech*: Fintech Telecom LLC.

*FTT (Fiber to the )*: It is the term used to indicate any network architecture that uses fiber optic cables in partial or total substitution of traditional copper cables used in telecommunications access networks. The various technological solutions differ in the point of the distribution network where the fiber connection is made, with respect to the end-user's location.

*FTTC (Fiber to the Curb or Fiber to the Cabinet)*: In the case of FTTC the fiber connection reaches the equipment (distribution cabinet) located on the pavement, from where copper connections are run to the customer.

*FTTH (Fiber to the Home)*: In the case of FTTH the fiber connection terminates inside the customer premises.

*GCL*: General Corporations Law.

*GDP*: Gross Domestic Product.

*GPON*: Gigabit-capable Passive Optical Network. A flexible optical fiber access network capable of supporting the bandwidth requirements of business and residential services. GPON systems are characterized, in general, by an optical line termination ( OLT ) system and an optical network unit (ONU) or optical network termination ( ONT ) with a passive optical distribution network interconnecting them. There is, in general, a one-to-many relationship between the OLT and the ONU/ONTs, respectively.



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*GPRS (General Packet Radio Service):* An enhanced second-generation mobile technology used to transmit data over mobile networks. GPRS transmits and receives packets of data in bursts instead of using continuous open radio channels, and it is used to add faster data transmission speed to GSM networks. GPRS is packet-based rather than circuit-based technology.

*GSM (Global System for Mobile Communications):* A standard for digital mobile technology used worldwide, which works on 900 MHz and 1,800 MHz band.

*IASB:* International Accounting Standards Board.

*ICT (Information and Communication Technology):* Broad area concerned with information technology, telecommunications networking and services and other aspects of managing and processing information, especially in large organizations.

*ICT services (Information and Communication Technology services):* Services to transport and distribute signals or data, such as voice, text, video and images, provided or requested by third-party users, through telecommunications networks. Each service is subject to its specific regulatory framework.

*IFC:* International Finance Corporation

*IFRS:* International Financial Reporting Standards as issued by the International Accounting Standards Board.

*IGJ (Inspección General de Justicia):* General Board of Corporations.

*INDEC (Instituto Nacional de Estadísticas y Censos):* The Argentine National Statistics and Census Institute.

*IP (Internet Protocol):* A set of communications protocols for exchanging data over the Internet.

*ISP (Internet Service Provider):* A vendor who provides access to the Internet and World Wide Web.

*IT*: Information Technology.

*LAD (Ley Argentina Digital)*: Law No. 27,078, Argentina's Digital Law.

*Law No. 25,561 (Ley de Emergencia Económica y Reforma del Régimen Cambiario)*: See Public Emergency Law.

*Law No. 26,831 (Ley de Mercado de Capitales)*: Argentine Capital Markets Law.

*List of Conditions*: The Privatization Regulations, including the *Pliego de Bases y Condiciones*, was approved by Decree No. 62/90, as amended. Pursuant to the List of Conditions, Telecom Argentina was required to comply with rate regulations and meet certain minimum annual standards regarding the expansion of its telephone system and improvements in the quality of its service to maintain and extend the exclusivity of its non-expiring license to provide fixed-line public telecommunications services and Basic Telephone Services in the Northern Region of Argentina. After the market was opened to competition, the outstanding obligations that continue in force were the rate regulations and those related to the quality of service; the obligations related to the expansion of the network are no longer required.

*Merger*: Merger between Telecom Argentina and Cablevisión, effective as of January 1, 2018.

*MERVAL (Mercado de Valores de Buenos Aires S.A.)*: Securities Market of Buenos Aires S.A. On April 17, 2017, BYMA, a stock market authorized by CNV who succeeded to the MERVAL, started the automatic transfer of all the species listed in the MERVAL to BYMA. BYMA was created as a result of the spin-off (*escisión*) of some of the assets of the MERVAL and the capital contribution by the BCBA of its participation in Caja de Valores S.A., the clearing house for securities traded in that market.

*Micro Sistemas*: Micro Sistemas S.A.

*M2M*: Machine to Machine, information exchange between two remote machines.





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*MMS (Mobile Multimedia Services):* Represent an evolution of the SMS and the Enhanced Messaging Service ( EMS ) using various mono-medial elements (text, design, photos, video-clips and audio), which are synchronized and combined allowing them to be packed together and sent to GSM-GPRS platforms.

*Mobile service:* A mobile telephone service provided by means of a network of interconnected low-powered base stations, each of which covers one small geographic cell within the total cellular system service area.

*Modem:* Modulator/Demodulator. A device that modulates digital data to allow their transmission on Analog channels, generally consisting of telephone lines.

*Multimedia:* A service involving two or more communications media (e.g., voice, video, text, etc.) and hybrid products created through their interaction.

*NDF (Non Deliverable Forward) Agreement:* A generic term for a set of derivatives that covers national currency transactions including foreign exchange forward swaps, cross currency swaps and coupon swaps in nonconvertible or highly restricted currencies. The common characteristics of these contracts are that they involve no exchange of principal, are fixed at a predetermined price and are typically settled in U.S. dollars (or sometimes in Euros) at the prevailing spot exchange rate taken from an agreed source, time, and future date.

*Network:* An interconnected collection of elements. In a telephone network, these consist of switches connected to each other and to customer equipment. The transmission equipment may be based on fiber optic or metallic cable or point-to-point radio connectors.

*Node:* Topological network junction, commonly a switching center or station.

*Nortel:* Nortel Inversora S.A., the direct parent company of Telecom Argentina S.A. until November 30, 2017, when it was absorbed by Telecom Argentina pursuant to the Reorganization.

*Northern Region:* the Argentine government's privatization program as set forth in the State Reform Law approved in August 1989 and subsequent decrees, the Privatization Regulations provided for the division of the Argentine telecommunications network operated by ENTel into two regions, the northern region (the Northern Region ) and the southern region (the Southern Region ) of Argentina. Additionally, these two regions are set forth in Decree

No. 1,461/93, which ratified the Resolution No. 575/93 which approved the list of conditions for the public offer for the provision of mobile telecommunication services.

*OTT (Over the Top):* Over the Top applications or services are those services that bypass traditional network distribution approaches and run over, or on top of, internet networks. OTT refers, in general, to content from a third-party that is delivered to an end-user over the internet that is not provided directly by end-user Internet Service Provider.

*Outsourcing:* Hiring outsiders to perform various telecommunications services, which may include planning, construction, or hosting of a network or specific equipment belonging to a company.

*Packs:* Packages integrated by SMS and minutes that can be purchased or added to those plans that recharge credit.

*Participating Companies:* Sofora, Nortel, Telecom Argentina and Telecom Personal.

*PCS (Personal Communications Service):* A mobile communications service with systems that operate in a manner similar to cellular systems.

*PEN (Poder Ejecutivo Nacional):* The executive branch of the Argentine government.

*Penetration:* The measurement of the take-up of services. As of any date, the penetration is calculated by dividing the number of subscribers by the population to which the service is available and expressed as a percentage.

*Personal:* Telecom Personal S.A. Until November 30, 2017, Telecom Argentina owned 100% of Personal. Commencing December 1, 2017, pursuant to the Reorganization, mobile services provided by Personal have been provided by Telecom Argentina.

*Pesification:* Modification of the exchange rate by the Argentine government pursuant to the Public Emergency Law.



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*Platform:* The total input, including hardware, software, operating equipment and procedures, for producing (production platform) or managing (Management platform) a particular service (service platform).

*POPs of contents:* *Point Of Presence* , Netflix, Google or other Internet content providers traffic cache servers where Internet contents are stored locally.

*Presubscription of Long-Distance Service:* The selection by the customer of international and domestic long-distance telecommunications services from a long-distance telephone service operator.

*Price Cap:* Rate regulation mechanism applied to determine rate discounts based on a formula made up by the U.S. Consumer Price Index and an efficiency factor. The mentioned factor was established initially in the List of Conditions and afterwards in different regulations by the SC.

*Privatization Regulations:* The Argentine government s privatization program as set forth in the State Reform Law approved in August 1989 and subsequent decrees.

*Public Emergency Law:* The Public Emergency and Foreign Exchange System Reform Law No. 25,561 adopted by the Argentine government on January 6, 2002, as amended by Law No. 25,790, Law No. 25,820, Law No. 25,972, Law No. 26,077, Law No. 26,204, Law No. 26,339, Law No. 26,456, Law No. 26,563, Law No. 26,729, Law No. 26,896 and Law No. 27,200, which was in effect until December 31, 2017. Among others, the Public Emergency Law granted the PEN the power to set the exchange rate between the peso and foreign currencies and to issue regulations related to the foreign exchange market and to renegotiate public service agreements. The Public Emergency Law ceased to be effective on December 31, 2017.

*Pulse:* Unit on which the rate structure of the regulated fixed line services is based.

*Quadruple play:* Means the integration of fixed and mobile telecommunication services as well as pay television and Internet services.

*Regulatory Bodies:* Collectively or individually, the ENACOM, the AFTIC, the SC and the CNC.

*Reorganization:* Corporate reorganization pursuant to which Telecom Argentina absorbed Sofora, Nortel and Telecom Personal.

*Roaming:* A function that enables mobile subscribers to use the service on networks of operators other than the one with which they signed their initial contract. The roaming service is active when a mobile device is used in a foreign country (included in the GSM network).

*Satellite:* Satellites are used, among other things, for links with countries that cannot be reached by cable to provide an alternative to cable and to form closed user networks.

*SBT (Servicio Básico Telefónico):* Basic Telephone Service.

*SC (Secretaría de Comunicaciones):* The Argentine Secretary of Communications, which was replaced by the AFTIC and subsequently by the ENACOM.

*SCMA (Servicio de Comunicaciones Móviles Avanzadas):* Mobile Advanced Communications Service.

*SEC:* The Securities and Exchange Commission of the United States of America.

*SECTIC (Secretariado de Tecnologías de la Información y la Comunicación):* Secretariat of Information and Communication Technologies.

*Service Provider:* The party that provides end users and content providers with a range of services, including a proprietary, exclusive or third-party service center.

*SMS (Short Message Service):* Short text messages that can be received and sent through GSM-network connected mobile phones. The maximum text length is 160 alpha-numerical characters.

*Sofora:* Sofora Telecomunicaciones S.A., the indirect parent company of Telecom Argentina S.A. through its participation in Nortel until November 30, 2017, when it was absorbed by Telecom Argentina pursuant to the Reorganization.

*Southern Region: See Northern Region.*

*SRMC (Servicios de Radiocomunicaciones Móviles Celular): Cellular Mobile Radiocommunications Service.*

GLOSSARY OF TERMS

TELECOM ARGENTINA S.A.

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*STM (Servicio Telefónico Móvil):* Mobile Telephone Service.

*SU Fund:* Universal Service Fiduciary Fund.

*Switch:* These are used to set up and route telephone calls either to the number called or to the next switch along the path. They may also record information for billing and control purposes.

*TDMA (Time Division Multiple Accesses):* A technology for digital transmission of radio signals between, for example, a mobile handset and a radio base station. TDMA breaks signals into sequential pieces of defined length, places each piece into an information conduit at specific intervals and then reconstructs the pieces at the end of the conduit.

*Telecom Argentina USA:* Telecom Argentina USA, Inc.

*Telecom Italia:* Telecom Italia S.p.A.

*Telecom Italia Group:* Telecom Italia and its consolidated subsidiaries.

*Telefónica:* Telefónica de Argentina S.A.

*Telintar:* Telecomunicaciones Internacionales de Argentina Telintar S.A.

*Terms and Conditions:* See *Auction Terms and Conditions*.

*TLRD (Terminación Llamada Red Destino):* Termination charges from third parties mobile networks.

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*Transfer Date:* November 8, 1990, the date on which Telecom Argentina commenced operations upon the transfer from the Argentine government of the telecommunications system in the Northern Region of Argentina that was previously owned and operated by ENTel.

*Tuves Paraguay:* Tuves Paraguay S.A.

*UBB (Ultra Broad Band):* High speed Internet connection with download speed of 15MB or more.

*UMTS (Universal Mobile Telecommunications System):* Third-generation mobile communication standard.

*UNIREN (Unidad de Renegociación y Análisis de Contratos de Servicios Públicos):* Renegotiation and Analysis of Public Services Contracts Division.

*Universal Service:* The availability of Basic Telephone Service, or access to the public telephone network via different alternatives, at an affordable price to all persons within a country or specified area.

*Value Added Services (VAS):* Services that provide a higher level of functionality than the basic transmission services offered by a telecommunications network such as video streaming, Personal Video, Nube Personal (Cloud services), M2M (Machine to Machine communication), social networks, Personal Messenger, content and entertainment (SMS subscriptions and content, games, music, etc.), MMS and voice mail.

*VDSL (Very High bit rate Digital Subscriber Line):* A superior technology for Internet access connections. VDSL is superior to ADSL, offering connections speed of over 10Mb.

*W de Argentina Inversiones:* W de Argentina Inversiones S.A. and WAI

*WAN (Wide Area Network):* A private network that covers a wide geographic area using public telecommunications services.

*Wi-Max (Worldwide Interoperability for Microwave Access):* A technology that allows mobile access to Broadband telecommunications networks. It is defined by the Wi-Max Forum, a global consortium formed by major companies in the field of fixed and mobile telecommunications, which has the purpose to develop, test and promote the interoperability of systems.





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**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**Selected Financial Data**

The selected consolidated income statement data for the years ended December 31, 2017, 2016 and 2015 and the selected consolidated financial position data as of December 31, 2017 and 2016 have been prepared in accordance with IFRS as issued by the IASB and have been derived from our Consolidated Financial Statements included elsewhere in this Annual Report. The selected consolidated income statement data for the years ended December 31, 2014 and 2013 and the selected consolidated financial position data as of December 31, 2015 and 2014 have been prepared in accordance with IFRS as issued by the IASB and have been derived from our consolidated financial statements as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 included in our Annual Report on Form 20-F for the year ended December 31, 2015, filed on April 28, 2016. The selected consolidated financial position data as of December 31, 2013 prepared in accordance with IFRS as issued by the IASB have been derived from our consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 included in our Annual Report on Form 20-F for the year ended December 31, 2014, filed on April 24, 2015.

Our Consolidated Financial Statements and the financial information included elsewhere in this Annual Report have been prepared on historical basis in accordance with IFRS. However, due to the high level of inflation prevailing in Argentina in the last few years, the Company's Management analyzed the conditions established by IAS 29 paragraph 3 to consider an economy as hyperinflationary. Based on the analysis made as of December 31, 2017, the Company's Management considers that there was insufficient evidence to consider Argentina's economy as hyperinflationary under IAS 29. See Risk factors Risk Related to Argentina Inflation could accelerate, causing adverse effects on the economy and negatively impacting Telecom's margins, Item 5 Operating and Financial Review and Prospects Economic and Political Developments in Argentina and Note 1.e) to the Consolidated Financial Statements.

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Telecom's Consolidated Financial Statements and the selected financial data incorporated in this Annual Report have been prepared on a consolidated basis using Telecom's historical accounting records and represent our historical operations prior to the Merger. As a result, Telecom's historical financial data incorporated in this Annual Report may not be indicative of the future operating results, cash flows or financial position of Telecom upon consummation of the Merger on January 1, 2018. For more information, see note 32 to our Consolidated Financial Statements and Item 3 Key Information Risk Factors Risks Relating to Telecom and its Operations Telecom's Consolidated Financial Statements and the selected financial data included in this Annual Report may not be indicative of, and may differ materially from, our future results of operations after the Merger.

You should read the information below in conjunction with our Consolidated Financial Statements and the notes thereto, as well as Presentation of Financial Information and Item 5 Operating and Financial Review and Prospects.

The following table presents our summary financial data for each of the years in the five-year period ended December 31, 2017.

PART I - ITEM 3 KEY INFORMATION SELECTED FINANCIAL DATA

TELECOM ARGENTINA S.A.

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	2017	2016	2015	2014	2013
	(P\$ million, except per share and per ADS data in P\$)				
<b>INCOME STATEMENT DATA</b>					
Total revenues and other income	65,319	53,323	40,540	33,388	27,350
Operating expenses (without depreciation and amortization)	(45,963)	(38,899)	(29,674)	(24,686)	(19,786)
Operating expenses - depreciation and amortization	(6,928)	(6,198)	(4,438)	(3,243)	(2,873)
Disposals and impairment of PP&E	(316)	(383)	(199)	(16)	(173)
<b>Operating income</b>	<b>12,112</b>	<b>7,843</b>	<b>6,229</b>	<b>5,443</b>	<b>4,518</b>
Other, net (1)	(486)	(2,244)	(1,102)	253	528
Income tax expense	(3,902)	(1,594)	(1,692)	(1,967)	(1,792)
<b>Net income</b>	<b>7,724</b>	<b>4,005</b>	<b>3,435</b>	<b>3,729</b>	<b>3,254</b>
Other Comprehensive Income, net of tax	403	263	257	243	133
<b>Total Comprehensive Income</b>	<b>8,127</b>	<b>4,268</b>	<b>3,692</b>	<b>3,972</b>	<b>3,387</b>
<i>Total Comprehensive Income attributable to Telecom Argentina</i>	<i>7,904</i>	<i>4,142</i>	<i>3,580</i>	<i>3,837</i>	<i>3,285</i>
<i>Total Comprehensive Income attributable to Non-controlling Interest</i>	<i>223</i>	<i>126</i>	<i>112</i>	<i>135</i>	<i>102</i>
Number of shares outstanding at year-end (in millions of shares) (2)	969	969	969	969	969
Net income per share (basic and diluted) (3)	7.87	4.10	3.51	3.79	3.27
Net income per ADS (4)	39.36	20.51	17.56	18.95	16.