

TELECOM ARGENTINA SA

Form 6-K

March 22, 2017

[Table of Contents](#)

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

For the month of March 2017

Commission File Number: 001-13464

**Telecom Argentina S.A.**

(Translation of registrant's name into English)

**Alicia Moreau de Justo, No. 50, 1107**

**Buenos Aires, Argentina**

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F                          Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes                                      No                                     

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes                                      No                                     

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes                                      No                                     

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Table of Contents

TABLE OF CONTENTS

Item

1. *Consolidated Financial Statements as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014.*
  2. *Results of Operations, Liquidity and Capital Resources as of December 31, 2016 and for the years ended December 31, 2016, 2015 and 2014.*
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Table of Contents

**Item 1**

**Consolidated Financial Statements as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014**

**Alicia Moreau de Justo 50**

**(1107) Ciudad Autónoma de Buenos Aires**

**Argentina**

**\$: Argentine peso**

**US\$: US dollar**

**\$15.89 = US\$1 as of December 31, 2016**

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Table of Contents

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Telecom Argentina S.A.

In our opinion, the accompanying consolidated statements of financial position, the related consolidated statements of income, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of Telecom Argentina S.A. and its subsidiaries (the Company) at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Buenos Aires, Argentina

March 8, 2017

PRICE WATERHOUSE & CO. S.R.L.

By /s/ Marcelo D. Pfaff  
(Partner)

Marcelo D. Pfaff

F-1

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Table of Contents

**Management's Report on Internal Control over Financial Reporting**

Telecom Group's Management is responsible for establishing and maintaining adequate internal control over financial reporting for Telecom Group as defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Our internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ( IFRS ). Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Telecom Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of Telecom Group are being made only in accordance with authorizations of Management and directors of Telecom Group; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Telecom Group's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of Telecom Group's internal control over financial reporting based on the framework in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ( COSO 2013 ). Based on its evaluation, Management concluded that the Telecom Group's internal control over financial reporting was effective as of December 31, 2016. The effectiveness of Telecom Group's internal control over financial reporting as of December 31, 2016 has been audited by Price Waterhouse & Co S.R.L., an independent registered public accounting firm, as stated in their report which is included herein.

Buenos Aires, Argentina

March 8, 2017



**/s/ German H. Vidal**  
**Chief Executive Officer**

**/s/ Ignacio C. Moran**  
**Chief Financial Officer**

F-2

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Table of Contents

**CONTENTS**

	<u>Page</u>
<u>Consolidated Statements of Financial Position</u>	F-4
<u>Consolidated Income Statements</u>	F-5
<u>Consolidated Statements of Comprehensive Income</u>	F-6
<u>Consolidated Statements of Changes in Equity</u>	F-7
<u>Consolidated Statements of Cash Flows</u>	F-9
<u>Glossary of terms</u>	F-10
<u>Note 1 Description of business and basis of preparation of the consolidated financial statements</u>	F-13
<u>Note 2 Regulatory framework</u>	F-16
<u>Note 3 Significant accounting policies</u>	F-38
<u>Note 4 Cash and cash equivalents and Investments. Additional information on the consolidated statements of cash flows</u>	F-55
<u>Note 5 Trade receivables</u>	F-60
<u>Note 6 Other receivables</u>	F-60
<u>Note 7 Inventories</u>	F-61
<u>Note 8 Property, plant and equipment</u>	F-62
<u>Note 9 Intangible assets</u>	F-64
<u>Note 10 Trade payables</u>	F-65
<u>Note 11 Deferred revenues</u>	F-66
<u>Note 12 Financial debt</u>	F-66
<u>Note 13 Salaries and social security payables</u>	F-69
<u>Note 14 Income tax payables, income tax assets and deferred income tax</u>	F-70
<u>Note 15 Other taxes payables</u>	F-72
<u>Note 16 Other liabilities</u>	F-72
<u>Note 17 Provisions</u>	F-73
<u>Note 18 Commitments</u>	F-81
<u>Note 19 Equity</u>	F-82
<u>Note 20 Financial instruments</u>	F-85
<u>Note 21 Revenues</u>	F-90
<u>Note 22 Operating expenses</u>	F-92
<u>Note 23 Operating income</u>	F-94
<u>Note 24 Finance income and expenses</u>	F-95
<u>Note 25 Earnings per share</u>	F-95
<u>Note 26 Financial risk management</u>	F-96
<u>Note 27 Related party balances and transactions</u>	F-100
<u>Note 28 Segment information</u>	F-104
<u>Note 29 Quarterly consolidated information</u>	F-108
<u>Note 30 Restrictions on distribution of profits and dividends</u>	F-108
<u>Note 31 Subsequent events to December 31, 2016</u>	F-108

Table of Contents**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In millions of Argentine pesos)

	<u>Note</u>	<u>As of December 31,</u>	
		<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,945	870
Investments	4	1,751	1,430
Trade receivables	5	7,577	5,663
Other receivables	6	1,011	1,336
Inventories	7	1,278	2,193
<b>Total current assets</b>		<b>15,562</b>	<b>11,492</b>
<b>Non-Current Assets</b>			
Trade receivables	5	208	481
Other receivables	6	360	272
Income tax assets	14	680	265
Investments	4	347	333
Property, plant and equipment	8	23,165	17,963
Intangible assets	9	7,592	7,659
<b>Total non-current assets</b>		<b>32,352</b>	<b>26,973</b>
<b>TOTAL ASSETS</b>		<b>47,914</b>	<b>38,465</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	10	8,979	9,873
Deferred revenues	11	443	477
Financial debt	12	3,266	3,451
Salaries and social security payables	13	1,610	1,261
Income tax payables	14	724	439
Other taxes payables	15	1,149	1,153
Other liabilities	16	69	53
Provisions	17	271	207
<b>Total current liabilities</b>		<b>16,511</b>	<b>16,914</b>
<b>Non-Current Liabilities</b>			
Trade payables	10	152	52
Deferred revenues	11	445	457
Financial debt	12	8,646	1,449
Salaries and social security payables	13	184	157
Deferred income tax liabilities	14	569	550