

TELECOM ARGENTINA SA
Form 6-K
May 01, 2013
Table of Contents

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 May 2013

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

(Address of principal executive offices)

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

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

Table of Contents

Telecom Argentina S.A.

TABLE OF CONTENTS

Item

1. Press Release dated April 29, 2013 entitled Telecom Argentina S.A. announces consolidated first quarter results for fiscal year 2013 (1Q13)

Table of Contents

FOR IMMEDIATE RELEASE

Market Cap P\$28.7 billion
April 29th, 2013

Contacts:

Pedro Insussarry

Solange Barthe Dennin

(54-11) 4968-3743/3752

Telecom Argentina S.A.

announces consolidated first quarter results for fiscal year 2013

(1Q13)*

Consolidated Revenues amounted to P\$6,064 million (+18% vs. 1Q12); Fixed Data +31% vs. 1Q12; Fixed Internet +26% vs. 1Q12; and Mobile business in Argentina +19% vs. 1Q12.

Mobile subscribers in Argentina: 19.1, million; +0.6 million (+3% vs. 1Q12).

Mobile Value Added Services in Argentina (Internet and Data): +25% vs. 1Q12; 55% of mobile Service Revenues.

Mobile ARPU reached P\$62.1 per month in 1Q13 (+13% vs. 1Q12).

ADSL ARPU increased to P\$114.9 per month in 1Q13 (+20% vs. 1Q12); monthly churn reached 1.6% in 1Q13.

Operating Income Before Depreciation and Amortization reached P\$1,799 million (+9% vs. 1Q12), 30% of Net Revenues, influenced by the evolution of operating costs.

Operating Income amounted to P\$1,115 million (+8% vs. 1Q12), 18% of Net Revenues.

Net Income amounted to P\$813 million (+15% vs. 1Q12). Net Income attributable to Telecom Argentina amounted P\$802 million (+15% vs. 1Q12).

Net Cash Position: P\$4,020 million, an increase of P\$1,038 million vs. 1Q12 due to the cash generation of the Group.

Capex reached P\$741 million in 1Q13 (+7% vs. 1Q12), 12% of Consolidated Revenues.

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

| <i>(in million P\$, except where noted)</i> | As of March 31, | | | |
|--|-----------------|--------|-------|-----|
| | 2013 | 2012 | D \$ | D % |
| Revenues | 6,064 | 5,126 | 938 | 18% |
| Mobile Services | 4,448 | 3,705 | 743 | 20% |
| Fixed Services | 1,616 | 1,421 | 195 | 14% |
| Operating Income before D&A | 1,799 | 1,647 | 152 | 9% |
| Operating Income | 1,115 | 1,033 | 82 | 8% |
| Net Income attributable to Telecom Argentina | 802 | 698 | 104 | 15% |
| Shareholders' equity attributable to Telecom Argentina | 10,801 | 8,736 | 2,065 | 24% |
| Net Financial Position - Cash | 4,020 | 2,982 | 1,038 | 35% |
| CAPEX | 741 | 690 | 51 | 7% |
| Fixed lines in service (in thousand lines) | 4,109 | 4,138 | (29) | 1% |
| Mobile customers (in thousand) | 21,449 | 20,750 | 699 | 3% |
| Personal (Argentina) | 19,114 | 18,547 | 567 | 3% |
| Núcleo (Paraguay) -including Wimax customers- | 2,335 | 2,203 | 132 | 6% |
| Broadband acceses (in thousand) | 1,626 | 1,566 | 60 | 4% |
| Average Billing per user (ARBU) Fixed Telephony / voice (in P\$) | 49.5 | 46.9 | 2.6 | 6% |
| Average Revenue per user (ARPU) Mobile Services in Arg. (in P\$) | 62.1 | 54.9 | 7.2 | 13% |
| Average Revenue per user (ARPU) ADSL (in P\$) | 114.9 | 95.6 | 19.3 | 20% |

* Unaudited non financial data

Table of Contents

Buenos Aires, April 29, 2013 - Telecom Argentina (Telecom) - (NYSE: TEO; BASE: TECO2), one of Argentina's leading telecommunications companies, announced today a Net Income of P\$813 million for the three month period ended March 31, 2013, or +15% when compared to the same period last year. Net income attributable to Telecom Argentina amounted to P\$802 million (+15% vs. 1Q12).

| | 1Q13 | 1Q12 | D \$ | D % |
|--|-------|-------|------|-----|
| Consolidated Revenues (MMP\$) | 6,064 | 5,126 | 938 | 18% |
| Net Income attributable to Telecom (MMP\$) | 802 | 698 | 104 | 15% |
| Earnings attributable to Telecom per Share (P\$) | 0.81 | 0.71 | 0.10 | |
| Earnings attributable to Telecom per ADR (P\$) | 4.07 | 3.55 | 0.52 | |
| Operating Income before D&A * | 30% | 32% | | |
| Operating Income * | 18% | 20% | | |
| Net Income* | 13% | 14% | | |

* As a percentage of Consolidated Revenues

During 1Q13, Consolidated Revenues increased by 18% to P\$6,064 million (+P\$938 million vs. 1Q12), mainly fueled by the Mobile Services, Fixed Data and Broadband business. Moreover, Operating Income amounted to P\$1,115 million (+P\$82 million vs. 1Q12).

Consolidated Operating Revenues**Mobile Services****Mobile Customers & Revenues in Argentina
(in billion P\$)**

Clients continued to increase in 1Q13, reaching 21.4 million as of the end of March 2013, representing an increase of 0.7 million (+3%) since March 31, 2012.

The actions developed to increase the usage of value added services (VAS), such as innovative offers to clients and revenues from equipments sales, allowed Personal to increase consolidated revenues to third parties to P\$4,448 million (+20% vs. 1Q12).

Total Mobile Traffic

(in billion minutes)

Telecom Personal in Argentina

As of March 31, 2013, Personal reached 19.1 million subscribers in Argentina (+3% or +0.6 million vs. 1Q12), maintaining its market position. It is highlighted that the overall subscriber base mix continued to improve, reaching a 33% participation of the postpaid segment (+7% vs. 1Q12).

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

In 1Q13, Revenues from third parties reached P\$4,186 million (+P\$680 million or 19% vs. 1Q12) while Service Revenues (excluding equipment sales) amounted to P\$3,668 million (+18% vs. 1Q12), with 55% corresponding to value-added services (VAS) revenues (vs. 52% in 1Q12). VAS revenues increased by 25% vs. 1Q12. Moreover, equipment sales increased by 28% vs. 1Q12, reaching P\$518 million.

During 1Q13, the overall traffic of voice minutes increased by 5% vs. 1Q12. SMS traffic (incoming and outgoing charged messages) continued to increase, although at a slower pace comparing with other periods, due to other Internet alternatives provided by Personal. The traffic climbed to a monthly average of

Table of Contents

5,829 million in 1Q13 from 5,289 million messages in 1Q12 (+10% vs. 1Q12). Due to the VAS usage and certain price adjustments during 1Q13, the Average Monthly Revenue per User (ARPU) increased to P\$62.1 during 1Q13 (+13% vs. 1Q12).

Mobile consumption of Telecom Personal in Argentina

Initiatives

During 1Q13, Personal continued with its strategy in terms of convenience, through the launch of Saving Packs (for voice, data and SMS), which clients can activate them whenever they want, according to their needs at a more convenient price than that in the market. Related to handsets, Personal extended its Smartphones offer to its Personal Black clients incorporating new state-of-the-art.

Furthermore, Personal continued with its technological reconversion plan around the country to enhance mobile service quality and optimize traffic capacity to give more efficiency to its network.

Additionally, Personal is the first operator in Latin America in launching the GSMA Spam Reporting Service (SRS) system, a proactive tool, where clients can complain about spam SMS and protect the network from abusive traffic.

During the summer season, Personal enlarged its international roaming packs offer, and has enabled a mobile consumption calculator so that clients can hire the international service that best suits to their connection needs abroad.

Moreover, Personal continued its brand positioning associated with music by organizing events such as Personal Fest Verano . In the four editions held in the interior of the country, national and international artists were presented with more than 200,000 people attending. In addition, the events were broadcasted via You Tube s Argentina webpage allowing more than 200,000 fans to enjoy the event online.

Telecom Personal in Paraguay (Núcleo)

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

As of March 31, 2013, Nucleo's subscriber base reached 2.3 million clients (+6% vs. 1Q12). Prepaid and postpaid customers represented 81% and 19% (vs. 17% in 1Q12), respectively.

Personal's subsidiary in Paraguay continued growing at a slower pace supported by the increase in the postpaid customer base that leveraged its leadership in the mobile Internet market. The Company generated revenues from third parties equivalent to P\$262 million during 1Q13 (+32% vs. 1Q12), influenced by the evolution of the peso against the Guarani. Moreover, the level of ARPU reached Gs.26.3 thousand (equivalent to P\$32) vs. 1Q12. VAS represented 56% of 1Q13 service revenues (vs. 46% in 1Q12).

In 1Q13, Personal launched 4G technology (LTE, Long Term Evolution) in Paraguay, being the first and only in the country offering that service through 1,900 Mhz band.

Table of Contents

Fixed Services (Voice, Data & Internet)

During 1Q13 revenues generated by fixed services amounted to P\$1,616 million, +14% vs. 1Q12; with Data revenues (+31% vs. 1Q12) and Internet (+26% vs. 1Q12) growing the most in relative terms in this segment.

Lines in Service & Revenues

(in billion P\$)

Voice

Total Revenues for this service reached P\$814 million in 1Q13 (+4% vs. 1Q12). A portion of this line of business continued to be affected by frozen tariffs of regulated services enforced by the Argentine Government in 2002.

Traffic

(in billion minutes)

Revenues generated by Measured Services totaled P\$329 million, an increase of P\$13 million or +4% vs. 1Q12 mainly due to the incorporation of flat rate packs of local calls.

Broadband Accesses & Revenues

Monthly Charges and Supplementary Services reached P\$269 million, an increase of P\$17 million or +7% vs. 1Q12 due to higher revenues in non regulated supplementary services and more than 4.1 million lines in service.

The average monthly bill per user (ARBU) reached P\$49.5 in 1Q13, +6% vs. 1Q12.

Fixed and mobile Interconnection revenues reached P\$128 million (+3% vs. 1Q12). Meanwhile, other revenues totaled P\$88 million (-2% vs. 1Q12).

During the first quarter of 2013 Telecom continued promoting Aladino s handset sales.

Data and Internet

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

Data revenues amounted to P\$213 million (+31% vs. 1Q12), where the focus was to strengthen Telecom's position as an integrated ICT provider, with a wide variety of services.

During 1Q13, Telecom extended the solutions offer: La Nube Argentina Telecom, highlighting the inclusion to the Virtual Central product (Hosted PBX), a function that enables you to carry the internal number of the fixed number of the office, in the mobile device. Also, the Secure Access (Hosted Firewall) product was launched, that protects clients from spam accesses to its network, integrating the firewall function in the Internet Nube.

Revenues related to Internet totaled P\$575 million (+ P\$117 million or +26% vs. 1Q12), thanks to the increase in the customer base, to the upselling strategy and to price adjustments during 4Q12.

As of March 31, 2013, Telecom surpassed 1.6 million ADSL accesses (+4% vs. 1Q12). These connections represented 40% of Telecom's fixed lines in service. In addition, ADSL ARPU reached P\$114.9 in 1Q13, +20% when compared to 1Q12 and the monthly *churn* rate was 1.6% in 1Q13, slightly above 1.3% registered in 1Q12.

Table of Contents

During 1Q13, Arnet presented the campaign *Barco de Papel* which emphasized the possibilities of the Internet as a tool to reach what users want. The promotion offers Arnet 6Mb WIFI at P\$100 per month during the first six months of service with the possibility of extending the promotion to twelve months if the service was contracted online.

Consolidated Costs
% Revenues

Furthermore, during the quarter, Arnet continued its brand positioning associated to entertainment by launching in the summer season *Arnet Summer Park* in the city of Mar del Plata and Villa Carlos Paz where different shows and entertainment activities for the family were developed. Additionally, in the main touristic cities, Club Arnet (Arnet's fidelity program) clients were benefited from discounts and special offers.

Consolidated Operating Costs

The Cost of Services Provided, General & Administrative Expenses and Selling Expenses, excluding Gains on disposal of PP&E, totaled P\$4,965 million in 1Q13, an increase of P\$867 million, or +21% vs. 1Q12. The increase is a consequence of higher commercial costs, higher taxes related to the increase in sales, the inflationary effects in the general cost structure, and greater expenses related to the intense competition.

The cost breakdown is as follows:

- Employee benefit expenses and severance payments totaled P\$868 million (+28% vs. 1Q12), mainly affected by increases in salaries granted to the unionized employees, increases to non-unionized workforce, to an increase in the number of unionized headcount and to the increase in the number of employees in the mobile business. Total headcount at the end of the period totaled 16,752 employees (+1% vs. 1Q12) (including temporary employees), where 287 employees were incorporated in the mobile business while 123 employees were dismissed in the fixed services, when compared to 1Q12.

- Taxes and fees with regulatory authorities reached P\$602 million (+30% vs.

1Q12), impacted mainly by a higher volume of revenues, a higher incidence in turnover taxes derived from increases in municipal jurisdictions, higher bank debit and credit taxes and higher taxes with the regulatory authority.

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

- Interconnection costs and other telecommunication charges (includes TLRD, Roaming, Interconnection, international settlement charges and lease of circuits) amounted to P\$484 million, +P\$76 million or +19% vs. 1Q12. This increase resulted from higher roaming charges due to a higher volume of traffic of minutes, partially compensated by savings arising *on-net* traffic stimulation, as well as higher Data and SMS roaming costs.

- Commissions (Commissions paid to Agents, prepaid card commissions and others) totaled P\$502 million (+12% vs. 1Q12), mainly due to the increase in

Table of Contents

commissions paid to commercial agents associated with higher costs and collection volume. Agent commissions capitalized as SAC amounted to P\$103 million (+36% vs. 1Q12)

- Advertising amounted to P\$154 million (-6% vs. 1Q12), mainly explained by minor commercial expenses and campaigns in comparison to 1Q12 when Mobile Number Portability was introduced.

- Cost of handsets sold totaled P\$558 million (+28% vs. 1Q12), due to an increase in high-end handsets sales at higher unit prices but with more functionalities, following the strategy of stimulating VAS usage, partially compensated by a lower quantity of handset sales. Deferred costs from SAC amounted to P\$103 million (-3% vs. 1Q12).

- Fees for services, maintenance and materials amounted to \$556 million (+17% vs. 1Q12), principally due to increases in the maintenance of radiobases and systems in the mobile business and higher costs associated to suppliers.

- Depreciations and Amortizations reached P\$691 million (+12% vs. 1Q12). PP&E depreciation amounted to P\$467 million (+10% vs. 1Q12); SAC and services connection costs amortization totaled P\$219 million (+20% vs. 1Q12); and other intangible assets amortization reached P\$5 million (-17% vs. 1Q12).

- Other Costs totaled P\$550 million (+34% vs. 1Q12). This increase was mainly due to costs of VAS with an increase of 118% vs. 1Q12, related to those sales especially in the mobile business. Bad debt expenses reached P\$93 million (+35% vs. 1Q12) representing 1.9% of consolidated costs, while provisions expenses remained stable totalizing P\$40 million in 1Q13.

Consolidated Financial Results

Financial Results resulted in a gain of P\$135 million, an increase of P\$74 million or +121% vs. 1Q12. This was mainly due to a gain in net financial interest of P\$116 million in 1Q13 (+P\$47 million vs. 1Q12) based on a healthy financial position and to gains for FX results of P\$13 million in 1Q13 (vs. losses of P\$7 million in 1Q12).

Consolidated Net Financial Position

As of March 31, 2013, Net Financial Position (Cash, Cash Equivalents and financial Investments minus Loans) totaled P\$4,020 million in cash, an improvement of P\$1,038 million vs. Net Financial Position as of March 31, 2012, thanks to the cash generation of the Group.

D&A

(in billion P\$)

Financial Results

(In million P\$)

| | 1Q12 | 1Q13 |
|---------------|--------------|---------------|
| Net Interests | \$ 69 | \$ 116 |
| FX results | \$7 | \$ 13 |
| Others | \$1 | \$ 6 |
| Total | \$ 61 | \$ 135 |

Net Financial Position Cash

(in billion P\$)

Table of Contents

Capital Expenditures

Capex

(In billion P\$)

Throughout 1Q13, the Company invested P\$741 million. This amount was allocated to Fixed Services (P\$284 million) and Mobile services (P\$457 million). In relative terms, capex reached 12% of consolidated revenues.

Main capital expenditures programs in the fixed business were the expansion and upgrade of Broadband services to improve capacity and increase speed offered to clients through the shortening of the local loop, together with the development of infrastructure to support the growth of mobile internet. In the mobile business, Telecom continued with its network deployment with the intention of increasing access capacity and addressing the growth of mobile Internet.

Moreover Telecom continued investing in the transport network to support the fixed and mobile data traffic growth.

Other Relevant Matters

The General Ordinary Shareholders Meeting of Telecom Argentina approved on April, 23 2013 the designation of eleven Directors with a term in office of three fiscal years. Related to the allocation of Retained Earnings of fiscal year 2012, the Ordinary Shareholders Meeting, resolved to adjourn to May 21st, 2013, the consideration of that item.

The General Ordinary Shareholders Meeting of Telecom Personal approved on

April, 10th, 2013 the allocation of P\$1,950 million to Reserves for future dividends, and P\$233 million to a Voluntary Reserve to finance working capital and

Investments in the country.

Table of Contents

Telecom is the parent company of a leading telecommunications group in Argentina, where it offers, either itself or through its controlled subsidiaries local and long distance fixed-line telephony, cellular, data transmission and Internet services, among other services. Additionally, through a controlled subsidiary, the Telecom Group offers cellular services in Paraguay. The Company commenced operations on November 8, 1990, upon the Argentine government's transfer of the telecommunications system in the northern region of Argentina.

Ownership Structure

Nortel Inversora S.A. (Nortel), which acquired the majority of the Company from the Argentine government, holds 54.74% of Telecom's common stock. Nortel is a holding company whose common stock (approximately 78% of capital stock) is owned by Sofora Telecomunicaciones S.A. Additionally, Nortel capital stock is comprised of preferred shares that are held by minority shareholders.

As of March 31, 2013, Telecom continued to have 984,380,978 shares outstanding.

For more information, please contact the Investor Relations Department:

| | | | | |
|--|---|---|-----------------------------------|-----------------------------------|
| Pedro Insussarry (5411) 4968 3743 Voice Mail: (5411) 4968 3628 | Solange Barthe Dennin (5411) 4968 3752 | Horacio Nicolás del Campo (5411) 4968 6236 | Gustavo Tewel (5411) 4968 3718 | Ruth Fuhrmann (5411) 4968 4448 |
|--|---|---|-----------------------------------|-----------------------------------|

Fax: (5411) 4968 3616

E-mail: relinver@ta.telecom.com.ar

For information about Telecom Group services, visit:

www.telecom.com.ar

www.personal.com.ar

www.personal.com.py

www.arnet.com.ar

Disclaimer

This document may contain statements that could constitute forward-looking statements, including, but not limited to, the Company's expectations for its future performance, revenues, income, earnings per share, capital expenditures, dividends, liquidity and capital structure; the effects of its debt restructuring process; the impact of emergency laws enacted by the Argentine Government; and the impact of rate changes and competition on the Company's future financial performance. Forward-looking statements may be identified by words such as believes, expects, anticipates, projects, intends, should, seeks, estimates, future or other similar expressions. Forward-looking statements involve risks and uncertainties that could significantly affect the Company's expected results. The risks and uncertainties include, but are not limited to, the impact of emergency laws enacted by the Argentine government that have resulted in the repeal of Argentina's Convertibility law, devaluation of the peso, various changes in restrictions on the ability to exchange pesos into foreign currencies, and currency transfer policy generally, the pesification of tariffs charged for public services, the elimination of indexes to adjust rates charged for public services and the Executive branch announcement to renegotiate the terms of the concessions granted to public service providers, including Telecom. Due to extensive changes in

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

laws and economic and business conditions in Argentina, it is difficult to predict the impact of these changes on the Company's financial condition. Other factors may include, but are not limited to, the evolution of the economy in Argentina, growing inflationary pressure and evolution in consumer spending and the outcome of certain legal proceedings. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as the date of this document. The Company undertakes no obligation to release publicly the results of any revisions to forward-looking statements which may be made to reflect events and circumstances after the date of this press release, including, without limitation, changes in the Company's business or to reflect the occurrence of unanticipated events. Readers are encouraged to consult the Company's Annual Report on Form 20-F, as well as periodic filings made on Form 6-K, which are filed with or furnished to the United States Securities and Exchange Commission for further information concerning risks and uncertainties faced by Telecom.

(Financial tables follow)

Enrique Garrido

Chairman

Table of Contents**TELECOM ARGENTINA S.A.****Consolidated information****First Quarter - Fiscal Year 2013****(In million of Argentine pesos)****1- Consolidated Balance Sheet**

| | 03/31/13 | 12/31/12 | D \$ | D % |
|---|---------------|---------------|-------------|-----------|
| Cash and cash equivalents | 3,968 | 3,160 | 808 | 26% |
| Investments | 155 | 563 | (408) | 72% |
| Trade receivables | 2,213 | 2,181 | 32 | 1% |
| Other Receivables | 1,150 | 1,082 | 68 | 6% |
| Total current assets | 7,486 | 6,986 | 500 | 7% |
| Financial Investments | 51 | 69 | 18 | 0 |
| Trade receivables | 20 | 23 | (3) | 13% |
| Property, plant and equipment | 9,193 | 9,035 | 158 | 2% |
| Intangible assets | 1,515 | 1,514 | 1 | 0% |
| Other Receivables | 347 | 182 | 165 | 91% |
| Total non-current assets | 11,126 | 10,823 | 303 | 3% |
| Total Assets | 18,612 | 17,809 | 803 | 5% |
| Trade payables | 3,475 | 3,659 | (184) | 5% |
| Deferred revenues | 386 | 362 | 24 | 7% |
| Financial debt | 55 | 43 | 12 | 28% |
| Salaries and social security payables | 610 | 635 | (25) | 4% |
| Income tax payables | 602 | 458 | 144 | 31% |
| Other taxes payables | 512 | 552 | (40) | 7% |
| Dividend Payable | 33 | 0 | 33 | |
| Other liabilities | 31 | 40 | (9) | 23% |
| Provisions | 126 | 134 | (8) | 6% |
| Total current liabilities | 5,830 | 5,883 | (53) | 1% |
| Trade payables | 21 | 20 | 1 | 5% |
| Deferred revenues | 340 | 329 | 11 | 3% |
| Financial debt | 99 | 101 | (2) | 2% |
| Salaries and social security payables | 117 | 128 | (11) | 9% |
| Deferred income tax liabilities | 186 | 220 | (34) | 15% |
| Income tax payables | 12 | 12 | 0 | 0% |
| Other liabilities | 64 | 51 | 13 | 25% |
| Provisions | 942 | 907 | 35 | 4% |
| Total non-current liabilities | 1,781 | 1,768 | 13 | 1% |
| TOTAL LIABILITIES | 7,611 | 7,651 | (40) | 1% |
| Equity attributable to owners of the Parent | 10,801 | 9,959 | 842 | 8% |
| Noncontrolling interest | 200 | 199 | 1 | 1% |
| TOTAL EQUITY | 11,001 | 10,158 | 843 | 8% |
| TOTAL LIABILITIES AND EQUITY | 18,612 | 17,809 | 803 | 5% |

2- Consolidated Loans

| | 03/31/13 | 12/31/12 | D \$ | D % |
|--|--------------|--------------|------------|------------|
| Banks and other financial Institutions | 50 | 40 | 10 | 25% |
| Accrued interest | 5 | 3 | 2 | 67% |
| Total Current Loans | 55 | 43 | 12 | 28% |
| Banks and other financial institutions | 99 | 101 | (2) | 2% |
| Total Non Current Loans | 99 | 101 | (2) | 2% |
| Total Loans | 154 | 144 | 10 | 7% |
| Cash and cash equivalents, and Financial Investments | 4,174 | 3,792 | 382 | 10% |
| Net Financial Position - Cash | 4,020 | 3,648 | 372 | 10% |

Table of Contents**TELECOM ARGENTINA S.A.****Consolidated information****First Quarter - Fiscal Year 2013****(In million of Argentine pesos)****3- Consolidated Income Statements**

| | 03/31/13 | 03/31/12 | D \$ | D% |
|---|--------------|--------------|------------|------------|
| Revenues | 6,064 | 5,126 | 938 | 18% |
| Other income | 9 | 4 | 5 | 125% |
| Total Revenues & Other Income | 6,073 | 5,130 | 943 | 18% |
| Consolidated Operating Costs | (4,965) | (4,098) | (867) | 21% |
| Gains on disposal of PP&E | 7 | 1 | 6 | |
| Operating income | 1,115 | 1,033 | 82 | 8% |
| Finance results, net | 135 | 61 | 74 | 121% |
| Net income before income tax expense | 1,250 | 1,094 | 156 | 14% |
| Income tax expense | (437) | (386) | (51) | 13% |
| Net income | 813 | 708 | 105 | 15% |
| Attributable to: | | | | |
| Telecom Argentina | 802 | 698 | 104 | 15% |
| Noncontrolling interest | 11 | 10 | 1 | 10% |
| Operating income before D&A | 1,799 | 1,647 | 152 | 9% |
| As % of Revenues | 29.7% | 32.1% | | |

| | 03/31/13 | 03/31/12 | D \$ | D% |
|---|------------|------------|-----------|------------|
| Finance Income and Expenses | | | | |
| <i>Finance Income</i> | | | | |
| Interest on cash equivalents | 105 | 80 | 25 | 31% |
| Interest on investments (notes and bonds) | 5 | | 5 | |
| Interest on receivables | 25 | 20 | 5 | 25% |
| Interest with third parties | | 1 | (1) | 100% |
| Foreign currency exchange gains | 60 | 24 | 36 | 150% |
| Others | 10 | 5 | 5 | 100% |
| Total finance income | 205 | 130 | 75 | 58% |
| <i>Finance expenses</i> | | | | |
| Interest on financial debt | (4) | (3) | (1) | 33% |
| Interest on taxes and accounts payable | (4) | (2) | (2) | 100% |
| Interest on provisions | (11) | (27) | 16 | 59% |
| Loss on discounting of other liabilities | (3) | (6) | 3 | 50% |
| Foreign currency exchange losses | (47) | (31) | (16) | 52% |
| Others | (1) | | (1) | |

| | | | | |
|-------------------------------|-------------|-------------|------------|-------------|
| Total finance expenses | (70) | (69) | (1) | 1% |
| | 135 | 61 | 74 | 121% |

Table of Contents**TELECOM ARGENTINA S.A.****Consolidated information****First Quarter - Fiscal Year 2013****(In million of Argentine pesos)****4- BREAKDOWN OF THE INCOME STATEMENTS**

| | 03/31/13 | 03/31/12 | D \$ | D% |
|--------------------------------|--------------|--------------|------------|------------|
| REVENUES FROM SERVICES | 5,519 | 4,697 | 822 | 18% |
| <i>Fixed Services</i> | 1,602 | 1,403 | 199 | 14% |
| Voice | 814 | 782 | 32 | 4% |
| Retail Voice | 629 | 607 | 22 | 4% |
| Monthly Charges | 269 | 252 | 17 | 7% |
| Measured Services | 329 | 316 | 13 | 4% |
| Others | 31 | 39 | (8) | 21% |
| Wholesale | 185 | 175 | 10 | 6% |
| Interconnection | 128 | 124 | 4 | 3% |
| Others | 57 | 51 | 6 | 12% |
| Data | 213 | 163 | 50 | 31% |
| Internet | 575 | 458 | 117 | 26% |
| <i>Mobiles Sevices</i> | 3,917 | 3,294 | 623 | 19% |
| <i>Telecom Personal</i> | 3,668 | 3,101 | 567 | 18% |
| Voice | 1,662 | 1,502 | 160 | 11% |
| Retail Voice | 1,214 | 1,077 | 137 | 13% |
| Monthly Charges | 608 | 504 | 104 | 21% |
| Measured Services | 479 | 467 | 12 | 3% |
| Roaming | 69 | 67 | 2 | 3% |
| Others | 58 | 39 | 19 | 49% |
| Wholesale | 448 | 425 | 23 | 5% |
| Interconnection (CPP and TLRD) | 372 | 373 | (1) | 0% |
| Roaming | 70 | 46 | 24 | 52% |
| Others | 6 | 6 | 0 | 0% |
| Data | 1,615 | 1,323 | 292 | 22% |
| Internet | 391 | 276 | 115 | 42% |
| <i>Núcleo</i> | 249 | 193 | 56 | 29% |
| Voice | 109 | 104 | 5 | 5% |
| Retail Voice | 87 | 86 | 1 | 1% |
| Monthly Charges | 27 | 24 | 3 | 13% |
| Measured Services | 57 | 57 | 0 | 0% |
| Roaming | 2 | 2 | 0 | 0% |
| Others | 1 | 3 | (2) | 67% |
| Wholesale | 22 | 18 | 4 | 22% |
| Interconnection (CPP and TLRD) | 18 | 16 | 2 | 13% |
| Roaming | 4 | 2 | 2 | 100% |
| Data | 78 | 63 | 15 | 24% |

Edgar Filing: TELECOM ARGENTINA SA - Form 6-K

| | | | | |
|---|--------------|--------------|------------|-------------|
| Internet | 62 | 26 | 36 | 138% |
| <u>REVENUES FROM EQUIPMENT SALES</u> | 545 | 429 | 116 | 27% |
| <i>Fixed Services</i> | 14 | 18 | (4) | 22% |
| Voice | 11 | 12 | (1) | 8% |
| Data | 0 | 5 | (5) | 100% |
| Internet | 3 | 1 | 2 | 200% |
| <i>Mobiles Sevices</i> | 531 | 411 | 120 | 29% |
| Equipments (Personal) | 518 | 405 | 113 | 28% |
| Equipments (Núcleo) | 13 | 6 | 7 | 117% |
| <u>REVENUES</u> | 6,064 | 5,126 | 938 | 18% |
| <u>OTHER INCOME</u> | 9 | 4 | 5 | 125% |
| Fixed | 8 | 3 | 5 | 167% |
| Mobile | 1 | 1 | 0 | 0% |
| <u>TOTAL REVENUES & OTHER INCOME</u> | 6,073 | 5,130 | 943 | 18% |

Table of Contents**TELECOM ARGENTINA S.A.****Consolidated information****First Quarter - Fiscal Year 2013****(In million of Argentine pesos)****5- CONSOLIDATED INCOME STATEMENTS**

| | 03/31/13 | 03/31/12 | D \$ | D% |
|---|----------------|----------------|--------------|------------|
| Revenues | 6,064 | 5,126 | 938 | 18% |
| Other income | 9 | 4 | 5 | 119% |
| Total Revenues & Other Income | 6,073 | 5,130 | 943 | 18% |
| Employee benefit expenses and severance payments | (868) | (677) | (191) | 28% |
| Interconnection costs and other telecommunication charges | (484) | (408) | (76) | 19% |
| Fees for services, maintenance and materials | (556) | (477) | (79) | 17% |
| Taxes and fees with the Regulatory Authority | (602) | (462) | (140) | 30% |
| Commissions | (502) | (449) | (53) | 12% |
| Cost of equipments and handsets | (558) | (437) | (121) | 28% |
| Advertising | (154) | (164) | 10 | 6% |
| Cost of Value Added Services | (131) | (60) | (71) | 118% |
| Provisions | (40) | (40) | 0 | 0% |
| Bad debt expenses | (93) | (69) | (24) | 35% |
| Other operating expenses | (286) | (240) | (46) | 19% |
| Total Operating expenses before D&A | (4,274) | (3,483) | (791) | 23% |
| Operating income before D&A | 1,799 | 1,647 | 152 | 9% |
| D&A | (691) | (615) | (76) | 12% |
| Gains on disposal of PP&E | 7 | 1 | 6 | |
| Operating income | 1,115 | 1,033 | 82 | 8% |
| Financial Income | 205 | 130 | 75 | 58% |
| Financial Costs | (70) | (69) | (1) | 1% |
| Net income before income tax expense | 1,250 | 1,094 | 156 | 14% |
| Income tax expense | (437) | (386) | (51) | 13% |
| Net Income | 813 | 708 | 105 | 15% |
| Attributable to: | | | | |
| Telecom Argentina | 802 | 698 | 104 | 15% |
| Noncontrolling interest | 11 | 10 | | |

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telecom Argentina S.A.

Date: May 1, 2013

By: /s/ Enrique Garrido
Name: Enrique Garrido
Title: Chairman