

TELECOM



TELECOM ARGENTINA

Earnings Release

March 2018

FY2017

This presentation may include statements that could constitute forward-looking statements, including, but not limited to, the Company's and its management expectations for the Company's future performance, revenues, income, earnings per share, capital expenditures, dividends, liquidity and capital structure; the impact of the 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" and other similar expressions, but they are not the only way the Company identifies forward-looking statements. Forward-looking statements involve risks and uncertainties that could significantly affect the Company's expected results. Due to extensive and rapid changes in 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 reduction 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 presentation, including, without limitation, changes in the Company's business or to reflect the occurrence of unanticipated events or as a result of new information or otherwise. Information included in this presentation is unaudited and may not coincide with that included in the financial statements of the Company, due to rounding, reclassification matters, and other reasons. Readers are encouraged to consult the Company's Annual Report and 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 and the Argentine *Comisión Nacional de Valores*.

AGENDA

- MACRO AND INDUSTRY OVERVIEW
- VISION & STRATEGY
- BUSINESS HIGHLIGHTS
- FINANCIALS
- THE MERGER
- Q&A

AGENDA

MACRO AND INDUSTRY OVERVIEW

VISION & STRATEGY

BUSINESS HIGHLIGHTS

FINANCIALS

THE MERGER

Q&A

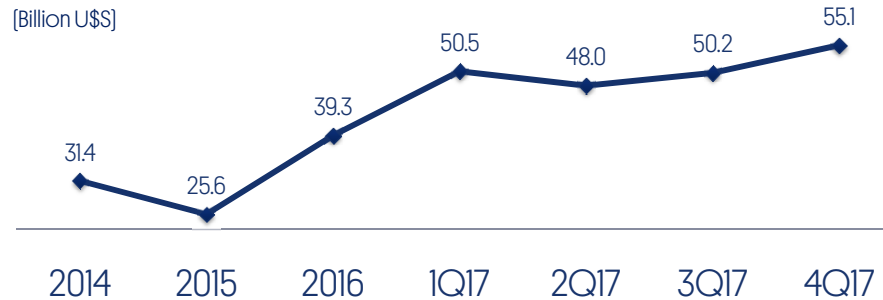
MACRO: HIGH RESERVES ACCUMULATION, AMIDST INCREASES OF FX RATES

EXTERNAL FRONT

High accumulation of Reserves in 2017

CENTRAL BANK RESERVES

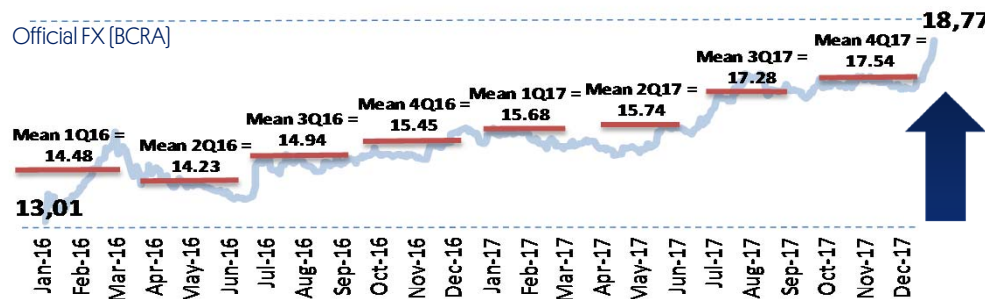
[Billion U\$S]



A central element of the Central Bank's policy during 2017 was the accumulation of international reserves. In this regard, international reserves experienced an increase of almost U\$S 15.8Bn during the year, being this accumulation of reserves the greatest in recent periods, while the stock is currently in historical records. This increase is mainly explained by strong capital inflows coming mostly from international debt issuances performed by the National Government.

FX RATE

Official FX [BCRA]



Floating Exchange Rate Regime during 4Q17

After experiencing relative stability during the quarter, the FX rate moved upwards during the last days of December, principally due to renewed demand of foreign currency and increased volatility.

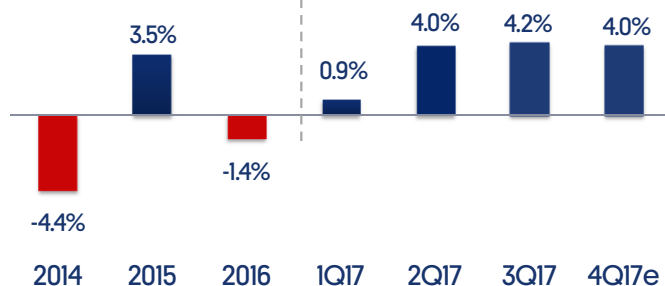
- During most of the 4Q17 the nominal Peso/Dollar exchange parity registered little variation in average, however on the final days of December it experienced a sharp rise due to a combination of seasonal factors, dollarization of portfolios and lower interest rates expectations. Central Bank abstained from exercising direct intervention, allowing the market to freely determine the FX rate.
- Trade balance accumulated a deficit of U\$S 8.5Bn during 2017, increasing notoriously predominantly due to greater imports of capital goods, its accessories and passenger vehicles, combined with a stable evolution of exports.

MACRO: INCREASES IN ACTIVITY CONSOLIDATE, BUT INFLATION MAY TAKE LONGER TO DECLINE FURTHER

DOMESTIC ACTIVITY & INFLATION

HOUSEHOLD CONSUMPTION

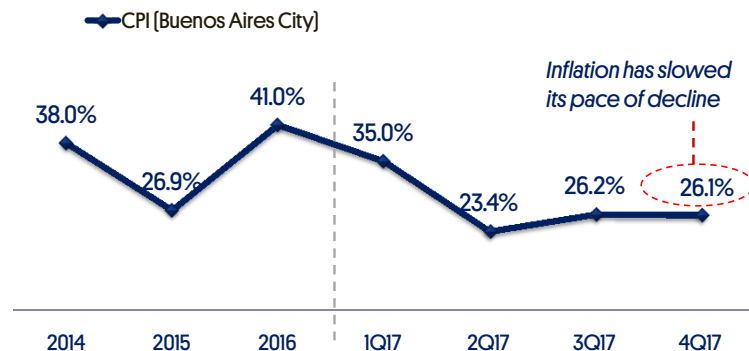
Revised official figures as of 4Q17



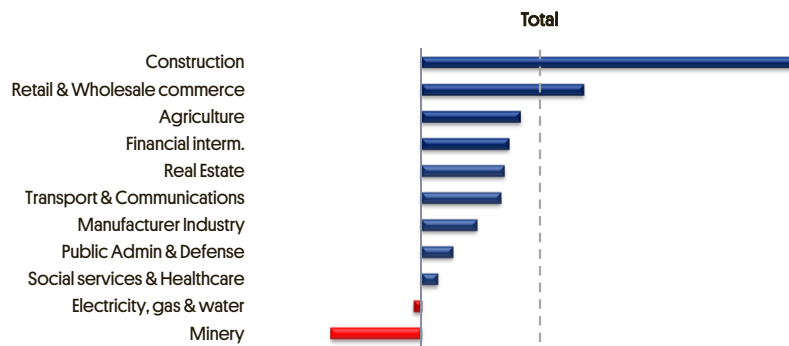
CPI (YoY)

CPI measured by the Buenos Aires City showed a 26.1% YoY, variation for Dec-17, showing that inflation is reducing its pace of decline. In fact, the Central Bank announced during December a recalibration of the inflation targets, essentially pushing the whole series of targets a year ahead, thus setting expectations of price increases to slightly higher levels for coming years.

Overall household consumption continues to show a strong recovery from past year levels. Nonetheless, when analyzing consumer confidence index figures, it is worth to note that consumers are still maintaining a cautious stance ahead of 2018 economic expectations.



ECONOMIC ACTIVITY PER SECTOR



Economic growth has consolidated during 4Q17, as activity continues to improve and to leave behind the fall from 2016. The pull has been mainly exercised through Construction, but the majority of the sectors turned out positive.

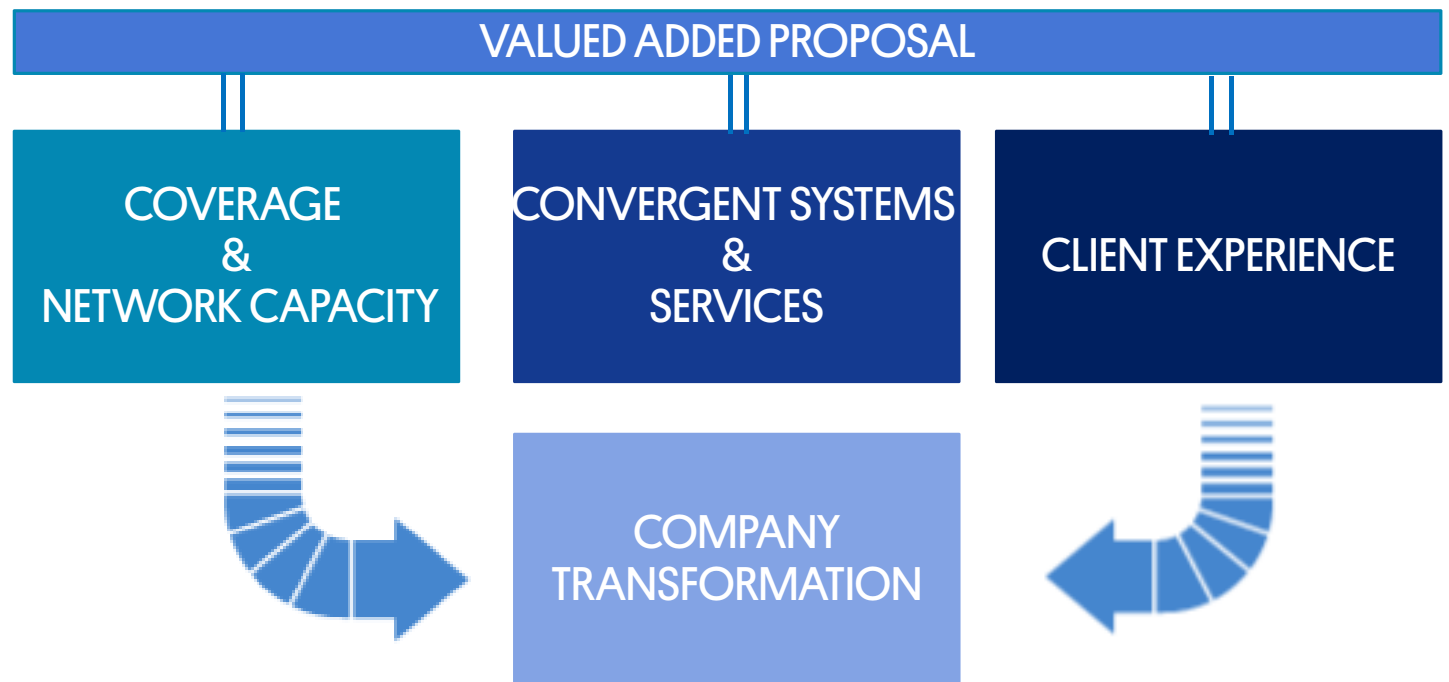
Industrial output ended 2017 with a partial recovery, registering an increase of 1.8% vs 2016, mostly pushed by Non Metallic Minerals and Steel and by capital and intermediate goods production.

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- VISION & STRATEGY
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- FINANCIALS
- THE MERGER
- Q&A

VISION & STRATEGY

Leader in solutions and convergent connectivity services, with an agile structure and focused on our customers



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MACRO AND INDUSTRY OVERVIEW

VISION & STRATEGY

BUSINESS HIGHLIGHTS

FINANCIALS

THE MERGER

Q&A

FY17
Highlights



Cablevisión

Revenues

P\$ 65.2 bn

+22% YoY
+P\$ 11.9 bn

P\$ 41.0 bn

+34% YoY
+P\$ 10.4 bn

EBITDA

P\$ 19.4 bn

+34% YoY
+P\$ 4.9 bn

P\$ 15.2 bn

+39% YoY
+P\$ 4.2 bn

ARPU

Fixed Voice ARBU: \$ 152.3

+56% YoY

Broadband ARPU: \$ 359.6

+33% YoY

Mobile ARPU: \$ 142.3

+27% YoY

Cable TV and Broadband
ARPU: \$ 796.3

+41% YoY

Subscribers

Mobile Subs: 19.0 mm

Fixed Voice Subs: 3.8 mm

Broadband Subs: 1.7 mm

4G CLIENTS
9.7mm

Cable TV Subs: 3.5 mm

Broadband Subs: 2.3 mm

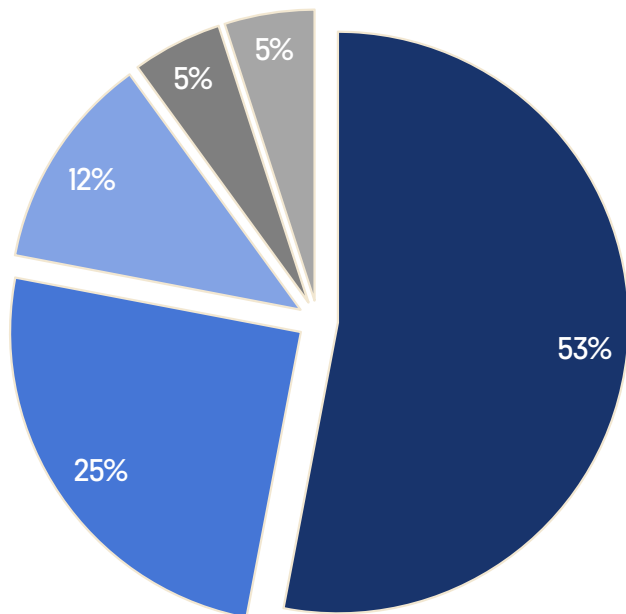
Mobile Subs: 0.7 mm

Unique Subs: 3.9 mm

TELECOM REVENUES

In P\$ Million

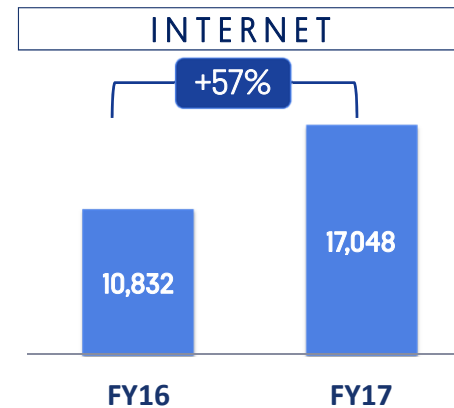
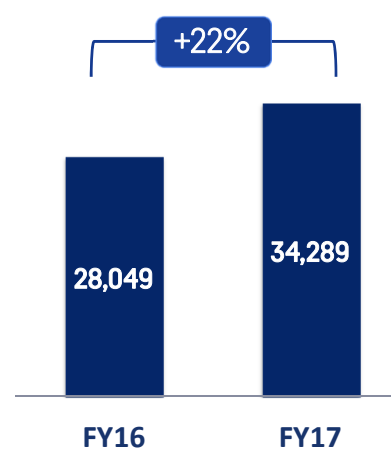
REVENUES BREAKDOWN



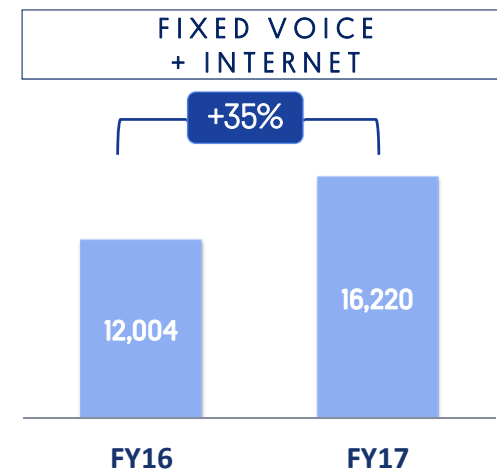
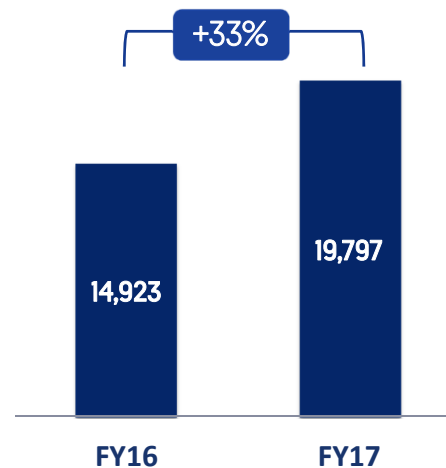
- Mobile
- Fixed Voice + Internet
- Handsets & Equipments
- Data
- Paraguay



MOBILE SERVICES



FIXED SERVICES

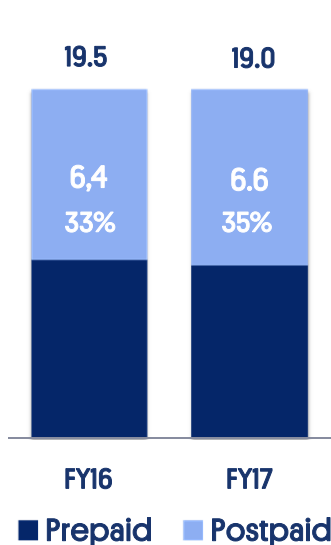


MOBILE IN ARGENTINA: CAPTURING VALUE

In P\$ Million

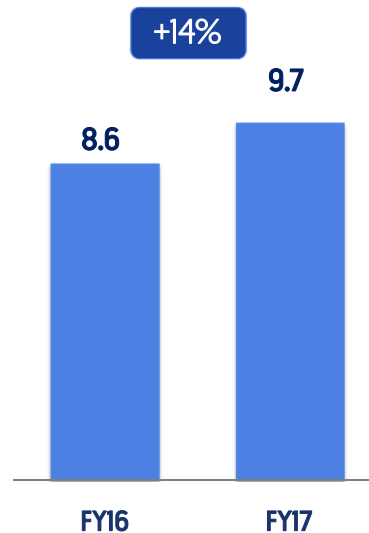
MOBILE SUBSCRIBERS

In Million



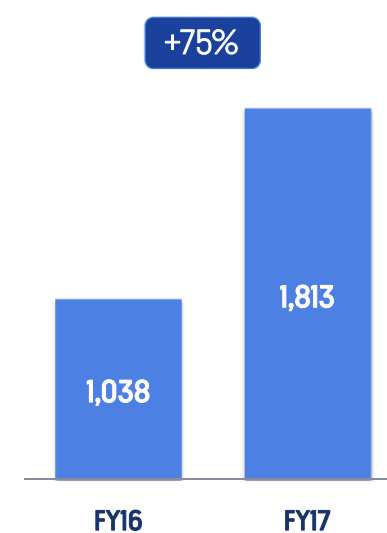
DATA PENETRATION

Monthly unique users in million



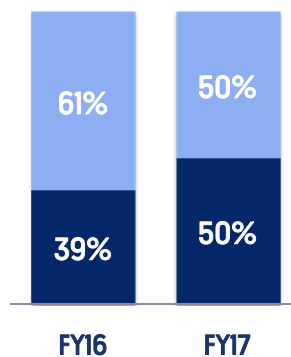
DATA USAGE

MBOU/MONTH



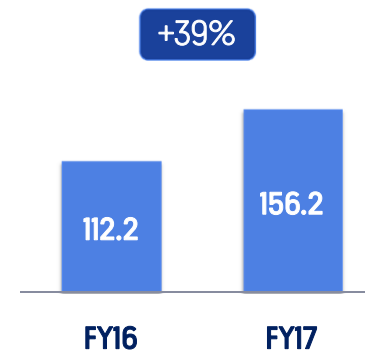
SERVICE REVENUES

■ Browsing ■ Voice + Data



BROWSING ARPU

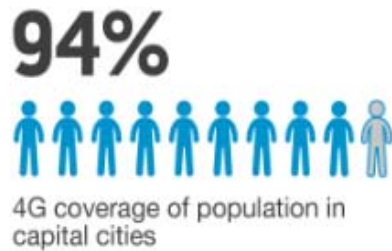
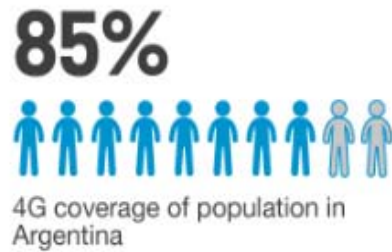
In P\$



Monthly Unique users and MBOU over Monthly unique users that consume more than 10Mb

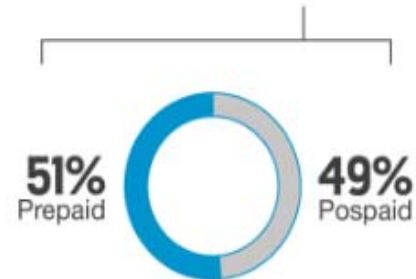
MOBILE 4G EVOLUTION

📍 4G COVERAGE



📱 4G CLIENTS

Millions of 4G clients



🌐 4G TRAFFIC

% 4G data traffic over the total data traffic



4G clients average data traffic (GB)



FIXED – HOME CONVERGENCE STRATEGY PUSHES UBB OFFER

FIXED SERVICES SUBS

Lines in Service: 3.8 mm
Internet Access: 1.7 mm

UBB SUBS evolution

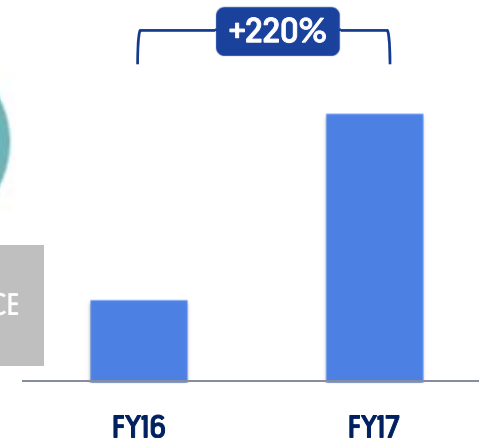
+106% YoY



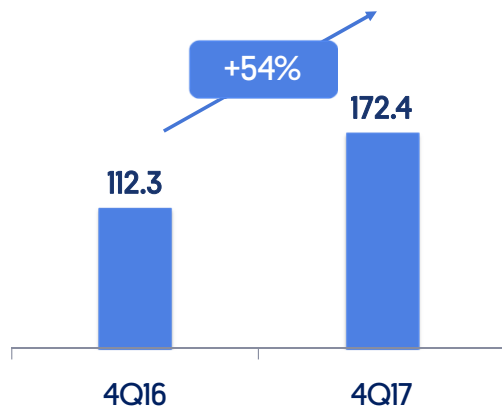
ARNET + VOICE evolution



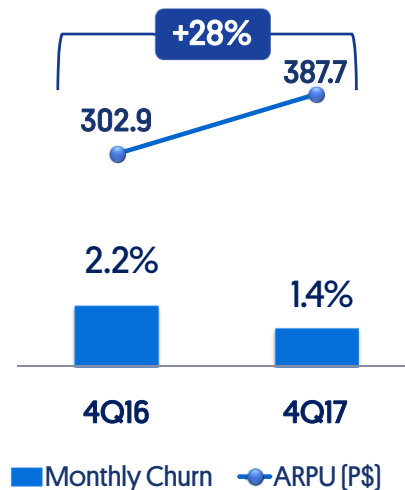
HOME CONVERGENCE STRATEGY



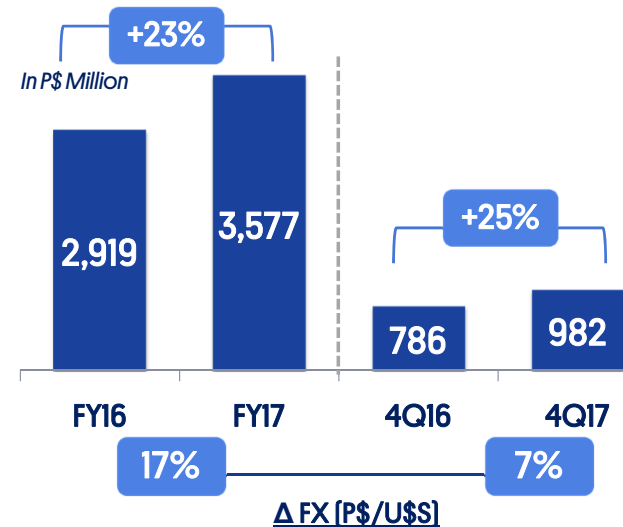
VOICE ARBU



BROADBAND ARPU & CHURN



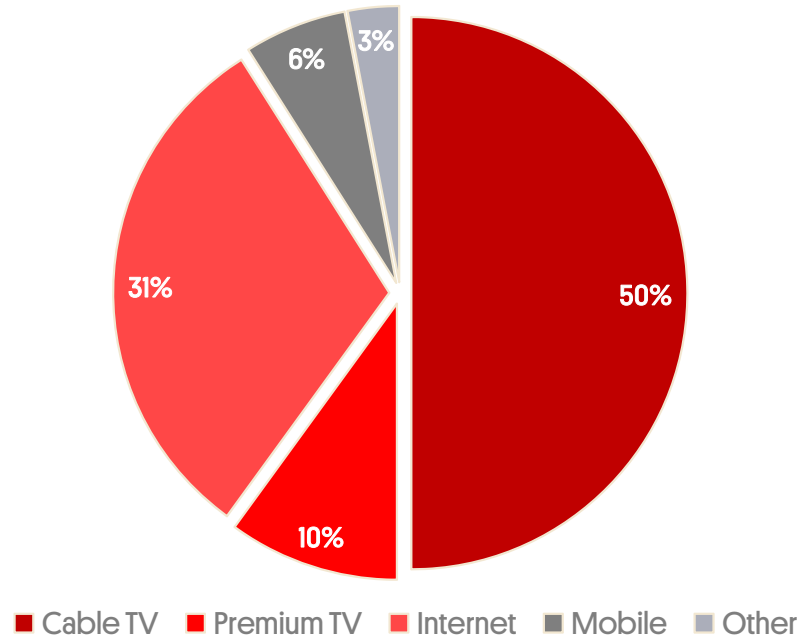
FIXED DATA



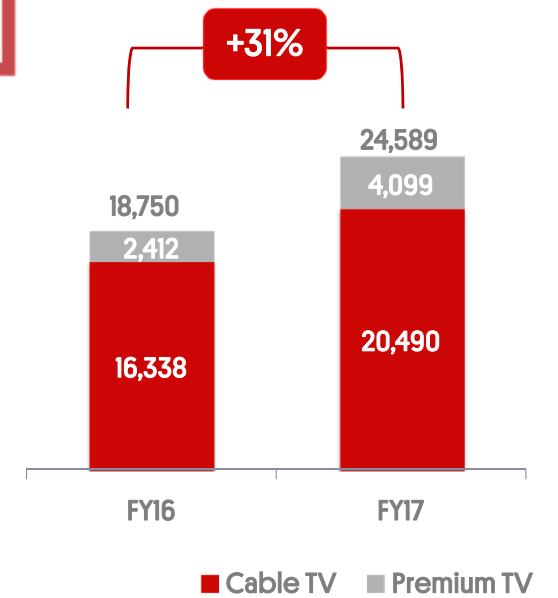
CABLEVISIÓN REVENUES

In P\$ Million

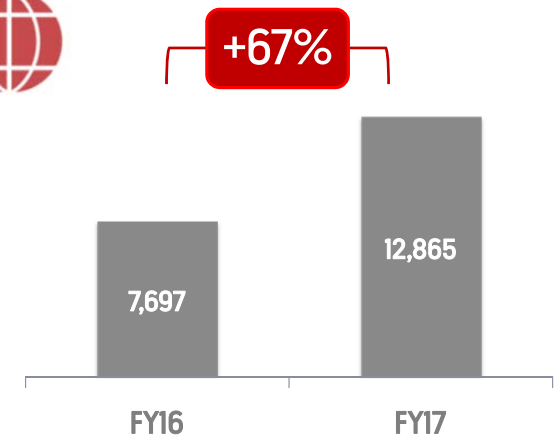
REVENUES BREAKDOWN



PAY TV SERVICES



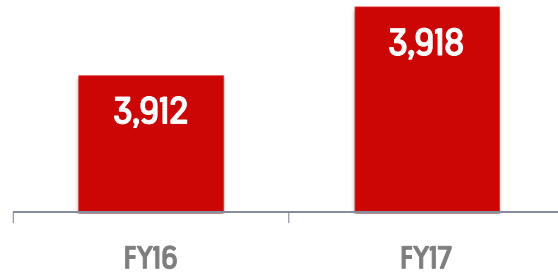
INTERNET



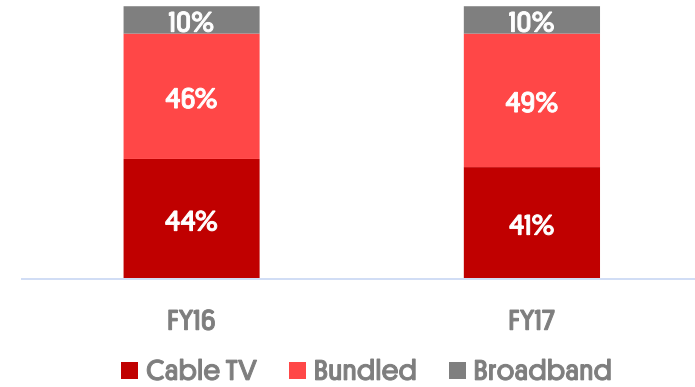
FIXED SERVICES

UNIQUE SUBSCRIBERS

Number of subs in thousand

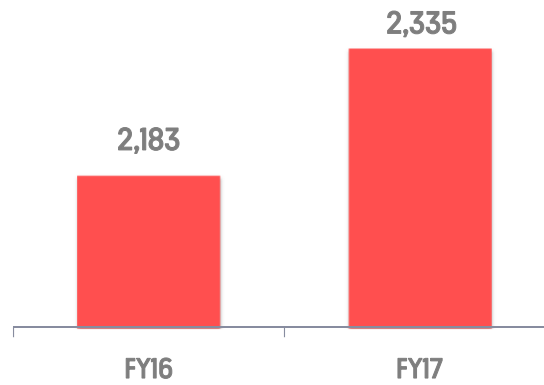


SUBSCRIBERS DISTRIBUTION



INTERNET SUBSCRIBERS

Number of subs in thousand

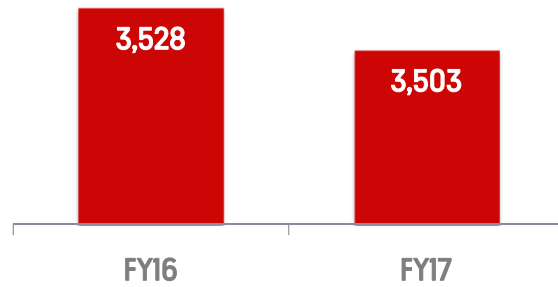


+7% YoY

FIXED SERVICES

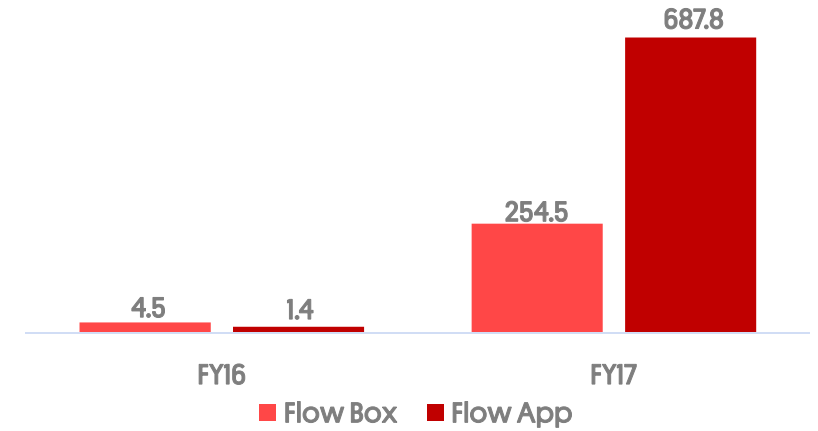
CABLE TV SUBSCRIBERS

Number of subs in million

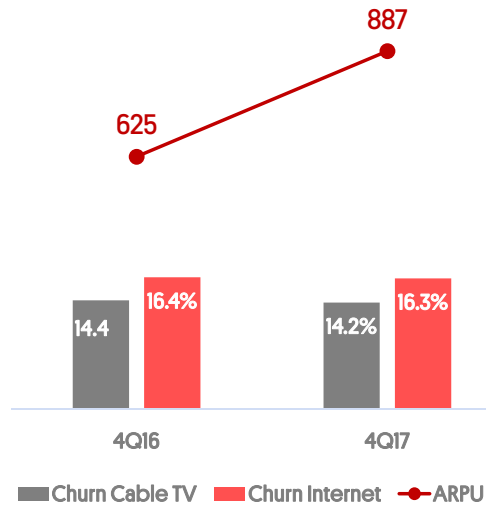


CABLEVISIÓN FLOW SUBSCRIBERS

Number of subs in thousand

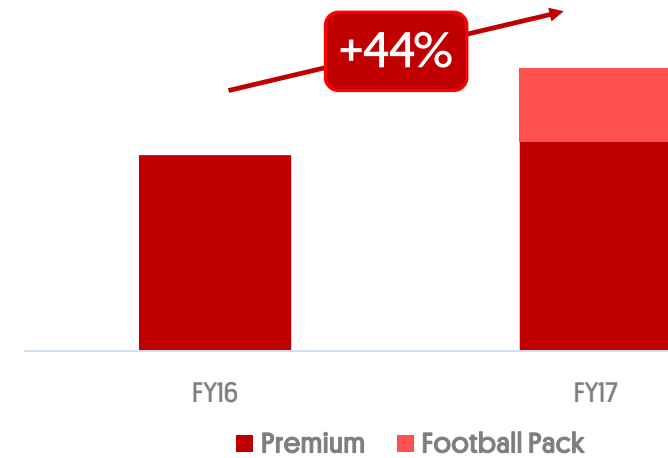


TOTAL ARPU & CHURN



ARPU +42% YoY

PREMIUM SUBSCRIBERS



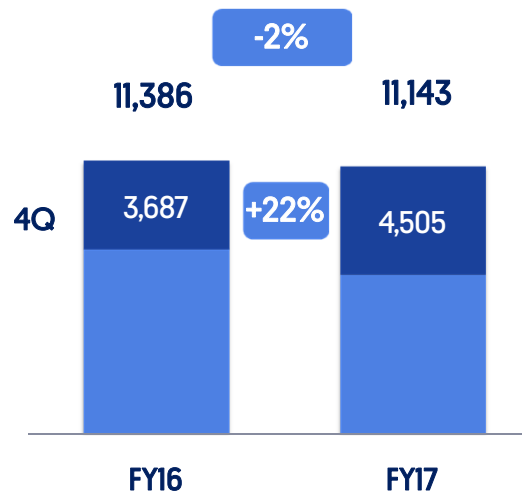
CAPEX: NETWORK DEPLOYMENT TO IMPROVE CAPACITY AND QUALITY

TELECOM



Million of P\$

CAPEX EVOLUTION



% REVENUES

21%

17%

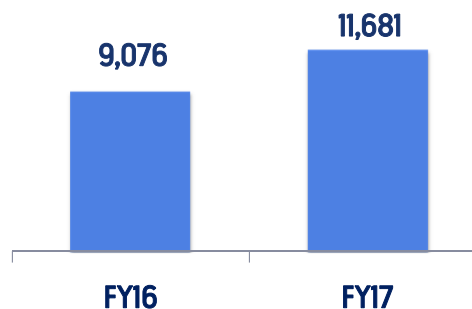
Cablevisión

Million of P\$

% REVENUES

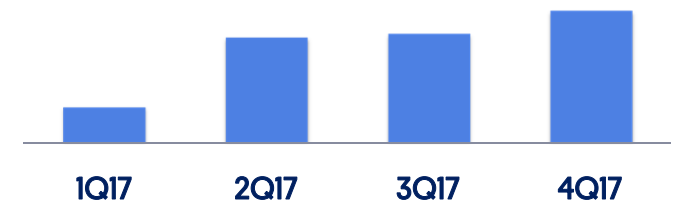
30%

29%



FTTH DEPLOYMENT

In available commercial zones



✓ Between 2018-2020 Telecom will invest U\$S 5,000 million:

- ✓ To increase the telephone and mobile Internet *radiobases*,
- ✓ To extend the NGN (Next Generation Networks), and
- ✓ To expand and improve the connectivity infrastructure in order to be able to provide multi-play services, in the framework of convergence.

AGENDA

MACRO AND INDUSTRY OVERVIEW

VISION & STRATEGY

BUSINESS HIGHLIGHTS

FINANCIALS

THE MERGER

Q&A

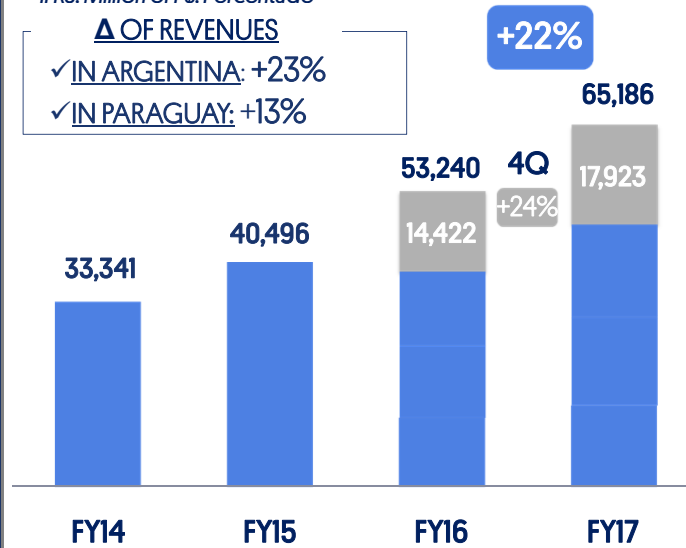
CONSOLIDATED RESULTS

REVENUES

IFRS, Million of P\$, Percentage

Δ OF REVENUES

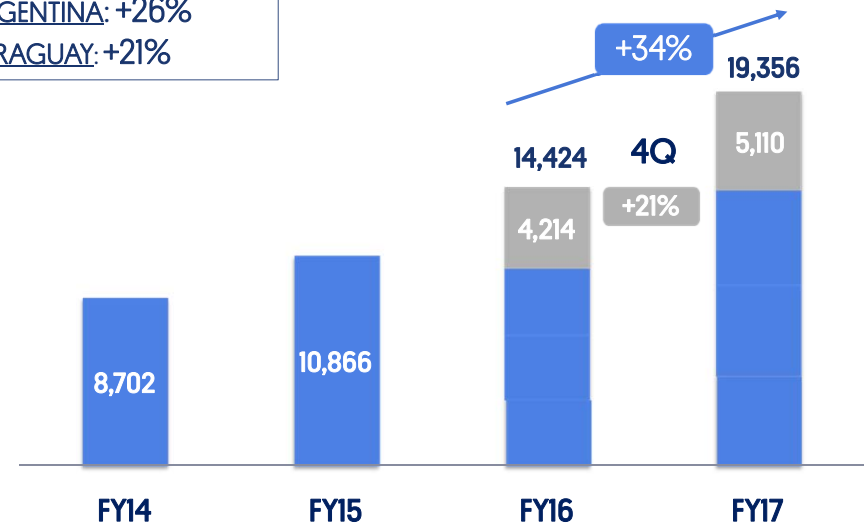
- ✓ IN ARGENTINA: +23%
- ✓ IN PARAGUAY: +13%



SERVICE REVENUE GROWTH

Δ OF SERVICE REVENUES

- ✓ IN ARGENTINA: +26%
- ✓ IN PARAGUAY: +21%



EBITDA

IFRS, Million of P\$, Percentage

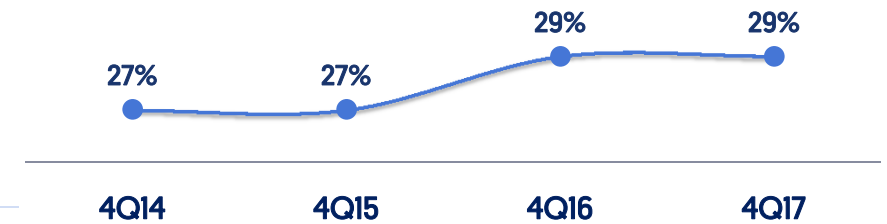
EBITDA EVOLUTION



% REVENUES



EBITDA MG TREND



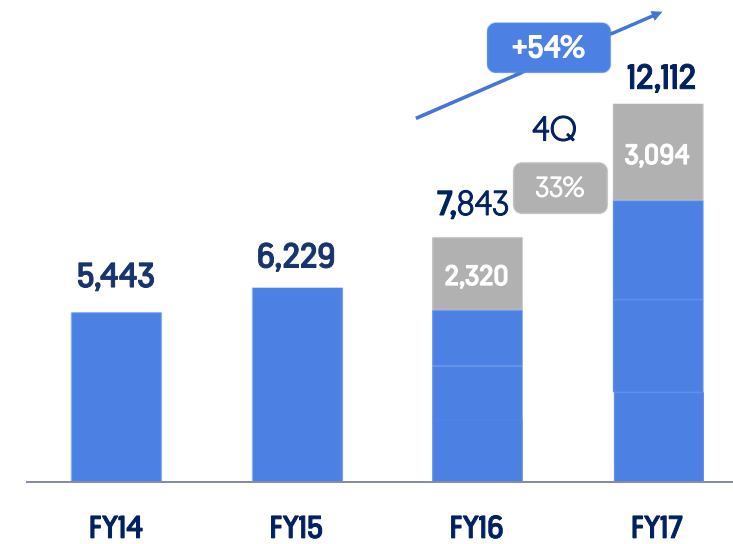
CONSOLIDATED RESULTS

OPERATING INCOME

IFRS, Million of P\$, Percentage

Period	D & A	3G / 4G Spectrum Amortization	Disposal and Impairment of PP&E	Total
FY16	5,860	338	383	6,581
FY17	6,603	325	316	7,244

+10%



OPERATING INCOME MARGIN

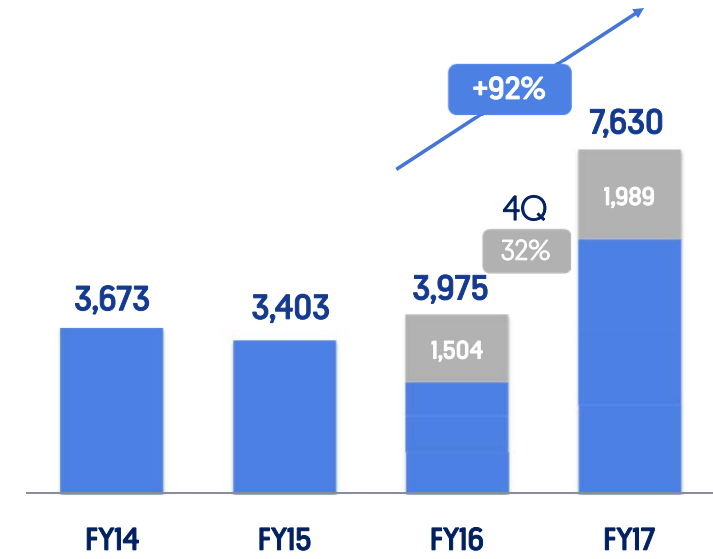


NET INCOME

[Attributable to Telecom]

IFRS, Million of P\$, Percentage

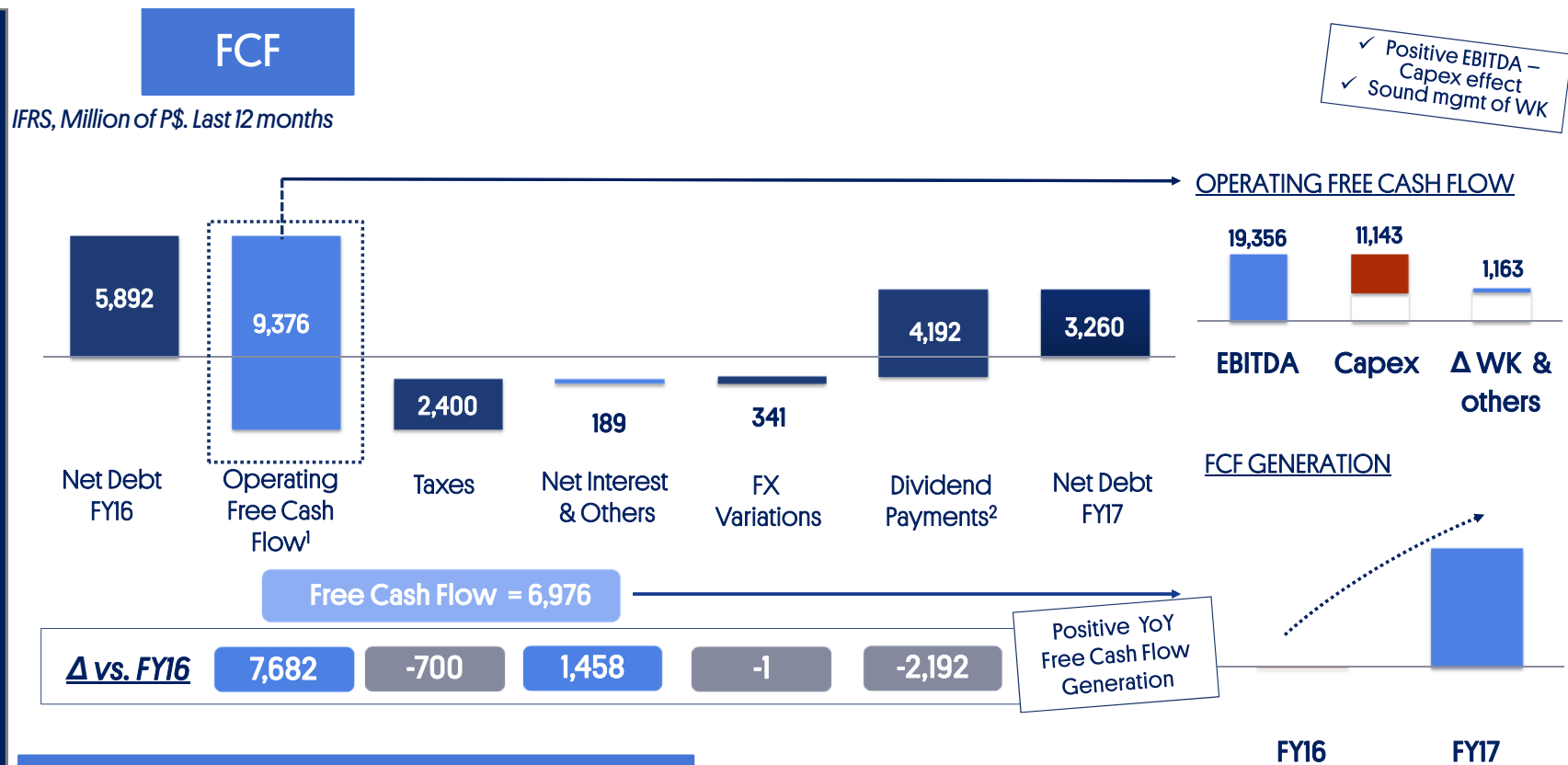
In million of P\$	FY16	FY17	Δ\$
Operating Income	\$ 7,843	\$ 12,112	\$ 4,269
Financial Results	-\$ 2,244	-\$ 486	\$ 1,758
Income Tax	-\$ 1,594	-\$ 3,902	-\$ 2,308
Minority Interest	-\$ 30	-\$ 94	-\$ 64
Total	\$ 3,975	\$ 7,630	\$ 3,655



NET INCOME MARGIN



FREE CASH FLOW, NET FINANCIAL POSITION



NOTE PROGRAM & FX COVERAGE

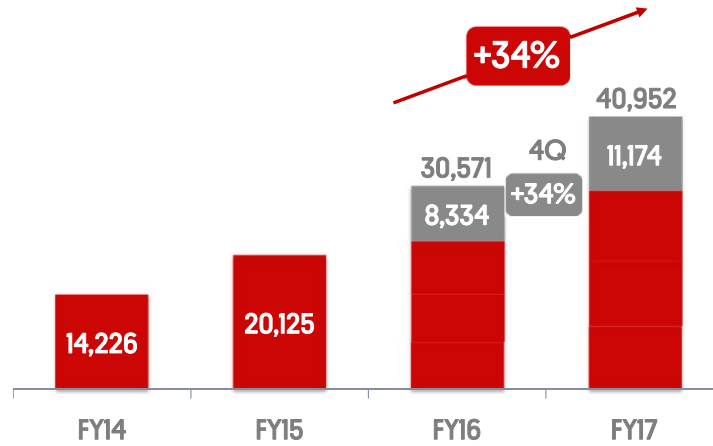
- ✓ The General Ordinary Shareholders' Meeting held on December 28, 2017 approved a Medium Term Note Program up to a maximum outstanding amount as of the date of issuance of each class or series of u\$s 3 billion or its equivalent in other currencies.
- ✓ Through investments denominated in foreign currency and NDF contracts the Company is hedging its FX exposure achieving ~44% coverage.

[1] OCF: Operating Free Cash Flow before Taxes
 [2] Includes \$38 million related to Núcleo dividend payment to third parties and \$3 million related to dividend payments on behalf of Sofora

CONSOLIDATED RESULTS

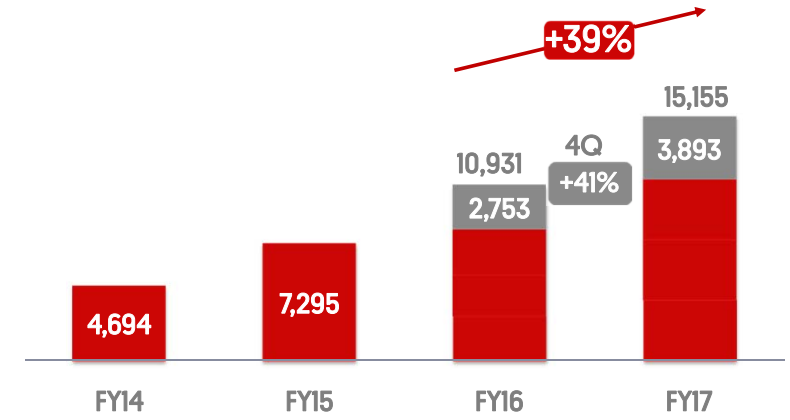
REVENUES

IFRS, Million of P\$, Percentage

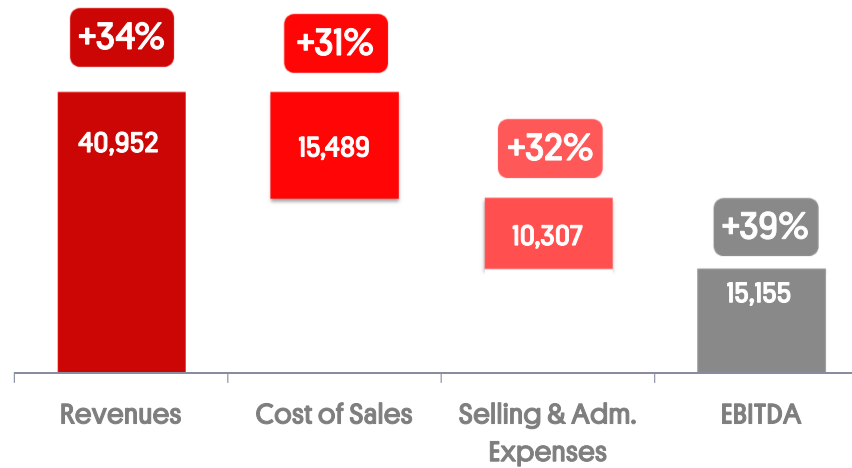


EBITDA

IFRS, Million of P\$, Percentage



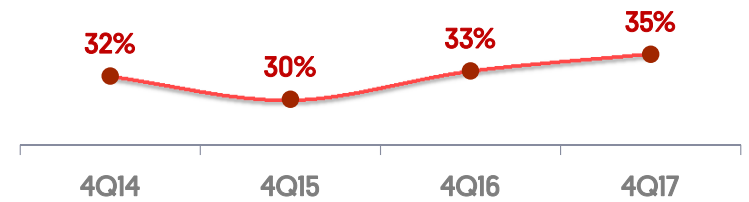
EBITDA EVOLUTION



% REVENUES



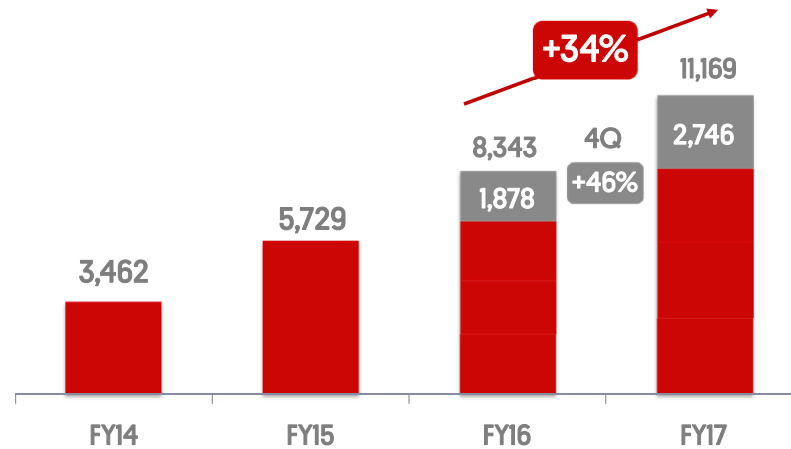
EBITDA MG TREND



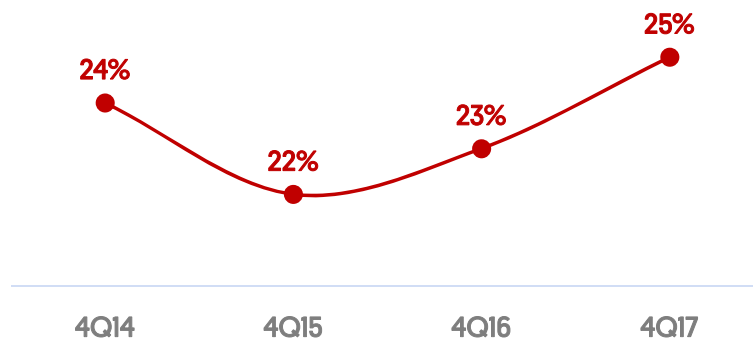
CONSOLIDATED RESULTS

OPERATING INCOME

IFRS, Million of P\$, Percentage



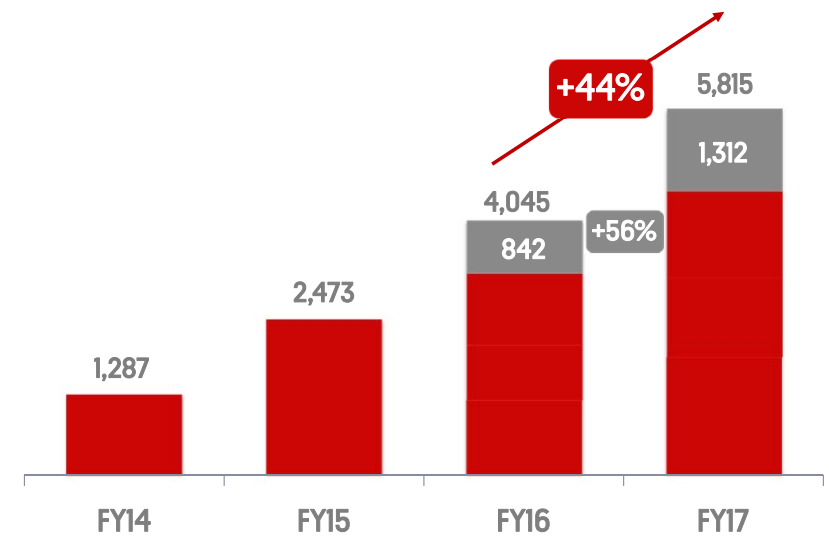
OPERATING INCOME MARGIN



NET INCOME

[Attributable to Cablevisión] IFRS, Million of P\$, Percentage

In million of P\$	FY16	FY17	Δ\$
Operating Income	\$ 8,343	\$ 11,169	\$ 2,826
Other Income	\$ 103	\$ 29	-\$ 74
Financial Results	-\$ 2,374	-\$ 2,612	-\$ 237
Equity in earnings from associates	\$ 131	\$ 168	\$ 36
Income Tax	-\$ 2,095	-\$ 2,859	-\$ 763
Minority Interest	-\$ 62	-\$ 80	-\$ 18
Total	\$ 4,045	\$ 5,815	\$ 1,770



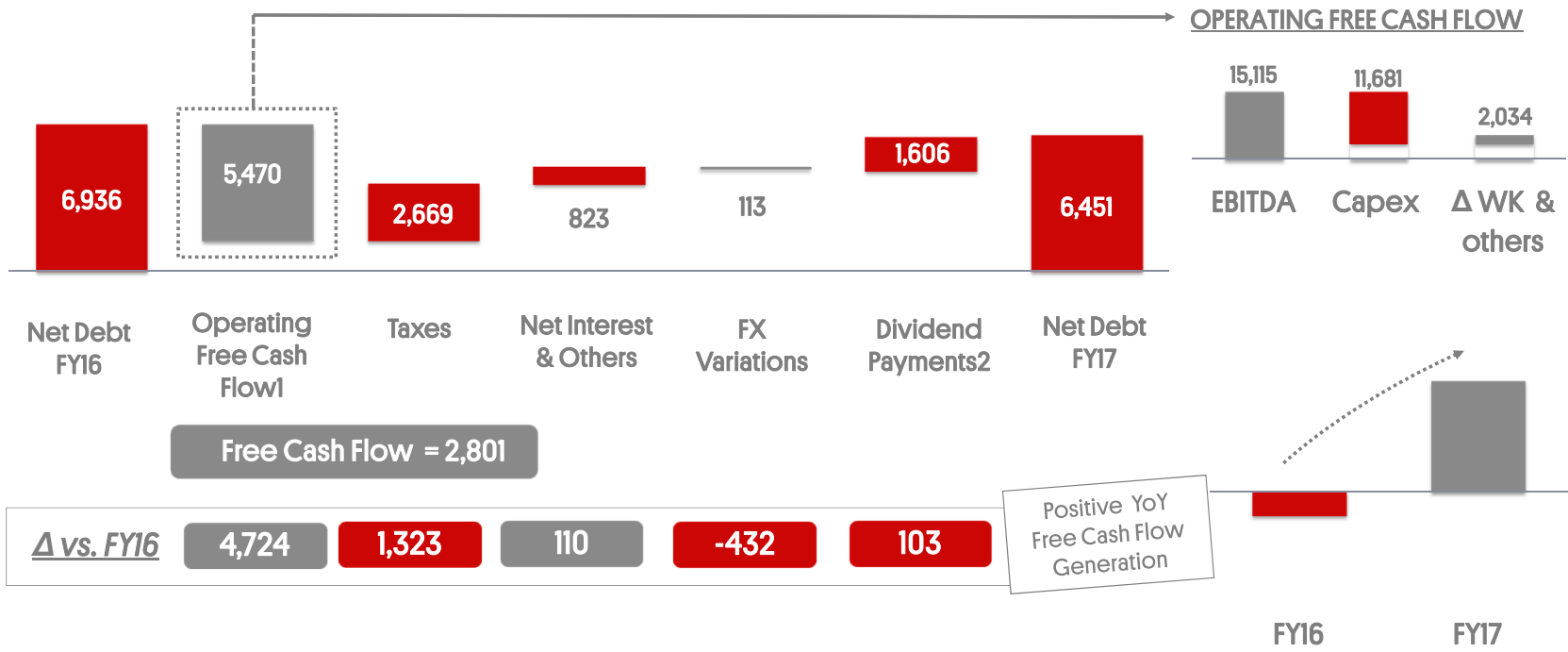
NET INCOME MARGIN



FREE CASH FLOW, NET FINANCIAL POSITION

FCF

IFRS, Million of P\$. Last 12 months



✓ Positive EBITDA – Capex effect

FX COVERAGE

✓ Through investments denominated in foreign currency and NDF contracts the Company is hedging its FX exposure achieving ~35% coverage.

[1] OFCF: Operating Free Cash Flow before Taxes
 [2] Includes \$6 million of dividend payments to non-controlling shareholders

AGENDA

MACRO AND INDUSTRY OVERVIEW

VISION & STRATEGY

BUSINESS HIGHLIGHTS

FINANCIALS

THE MERGER

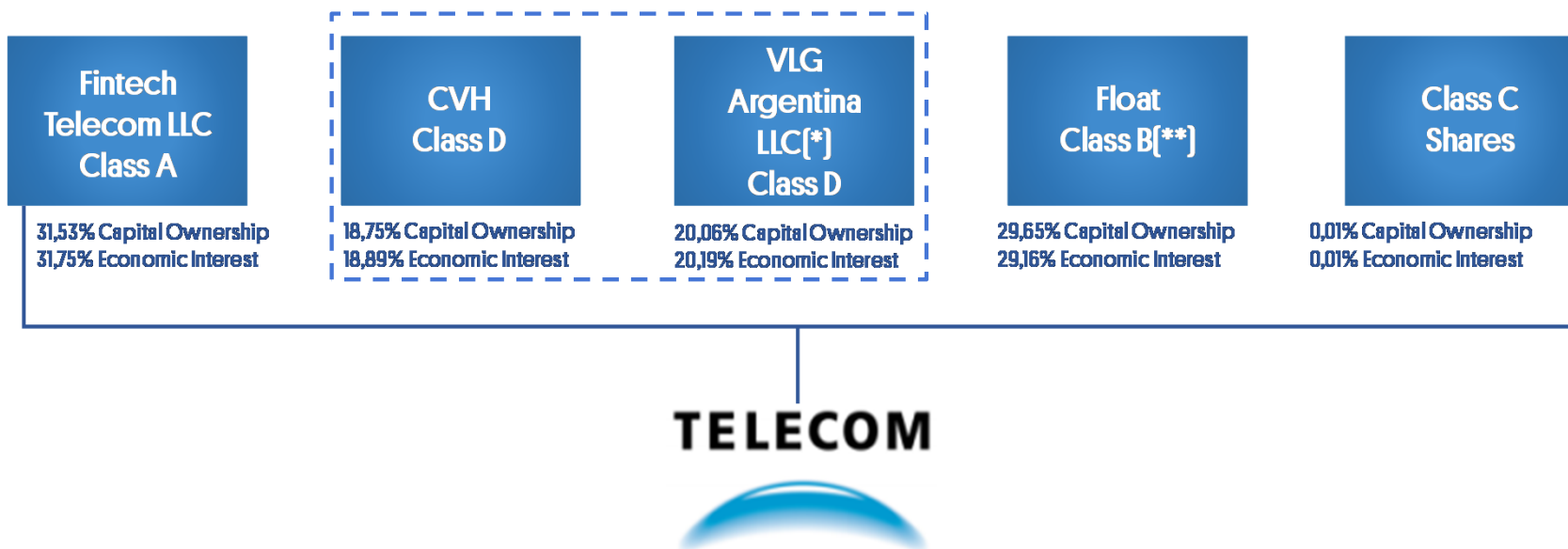
Q&A

TRANSACTION SUMMARY AND CAPITAL OWNERSHIP

TRANSACTION SUMMARY

- ✓ Telecom Argentina S.A. incorporated Cablevisión S.A. in an all stock transaction
- ✓ Telecom issued 1,184.5 mm new shares for Cablevisión S.A. shareholders
- ✓ All resulting company share classes have equal economic and voting rights
- ✓ Original Telecom shareholders kept 45% of the combined company shares
- ✓ Reference equity values of U\$5.0 bn for TEO and U\$6.1 bn for CV

OWNERSHIP STRUCTURE

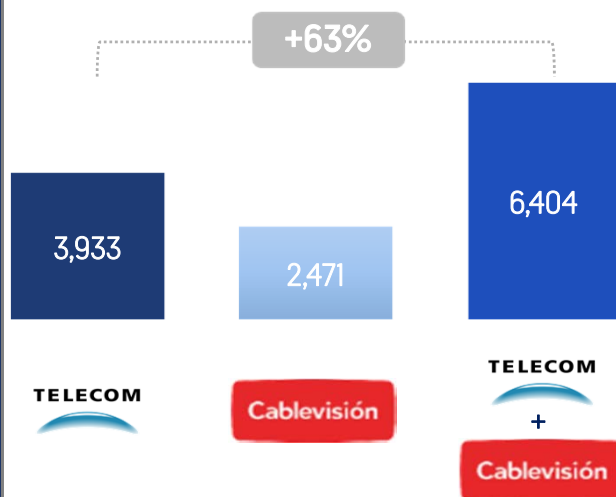


[*] CVH owns 100% of VLG Argentina LLC

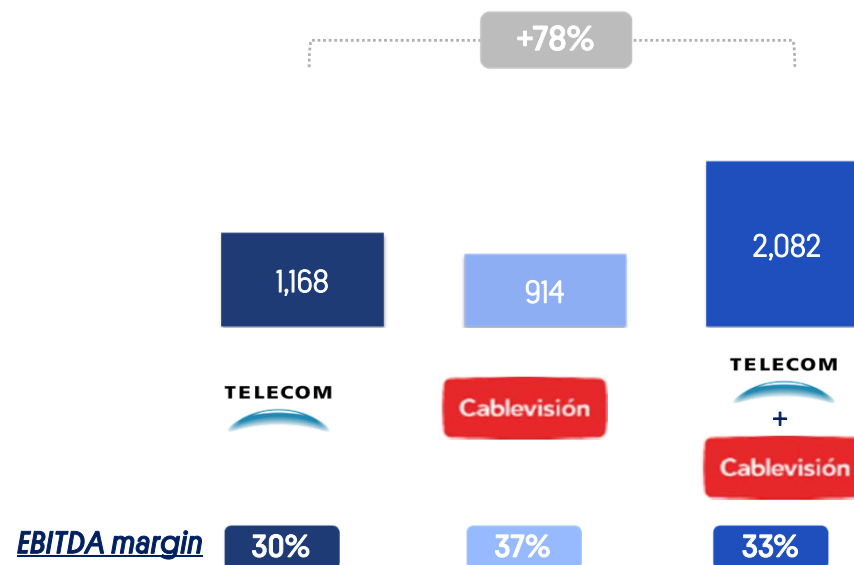
[**] According to the 13D filed on 01/08/2018 Fintech owns 178,808,541 Class B shares (8.24% of the total shares)

KEY FIGURES

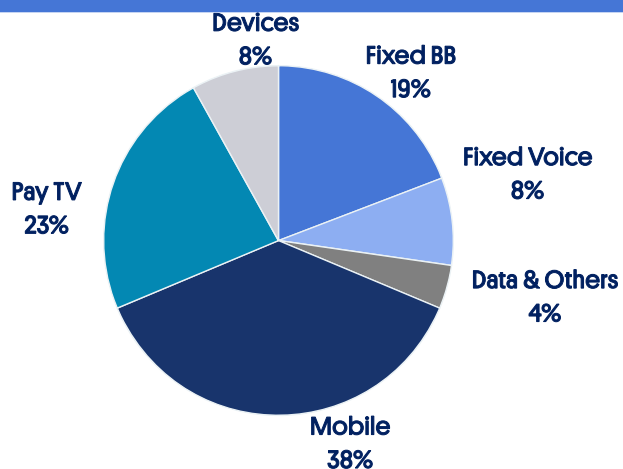
REVENUES FY17 – U\$ Smm [1]



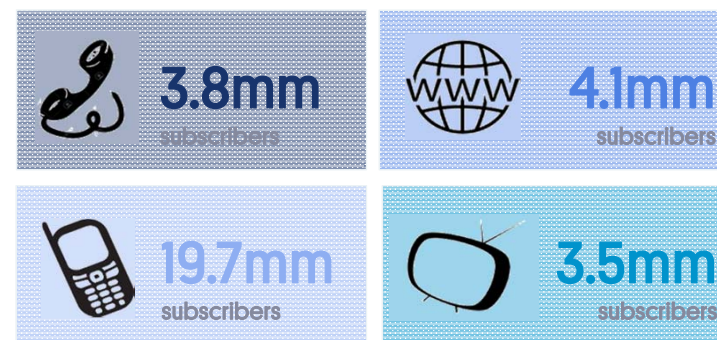
EBITDA FY17 – U\$ Smm [1]



COMBINED REVENUES BREAKDOWN (FY17)



COMBINED CLIENTS BY SEGMENT IN ARGENTINA



[1] Values in U\$S calculated at a rate of P\$16.57 = U\$1.00, using as a reference the U.S. dollar ask rate published by the Banco de la Nación Argentina for wire transfers (divisas) and calculated using the average of such FX rate of the full year 2017

COMBINED FIGURES AS OF DECEMBER 31, 2017

In U\$Smm – FY17	TEO ^[1]	CVSA ^[2]	Combined ^[3]
Revenues	3,933	2,471	6,404
EBITDA	1,168	914	2,082
Gross Debt	656	585	1,241
Net Debt	175	346	521
Capex	672	705	1,377
<hr/>			
Ratios ^[4]			
Gross Debt / EBITDA	0.63x	0.72x	0.67x
Net Debt / EBITDA	0.17x	0.43x	0.28x
EBITDA - Capex	496	209	705

[1] Please refer to Telecom Argentina SA Financial Statements (<http://www.telecom.com.ar/inversores/financiera.htm>) and CNV filings available at <http://www.cnv.gov.ar>

https://www.sec.gov/Archives/edgar/data/932470/000090342317000496/tm6k_0810.htm

[2] Please refer to Cablevision SA Financial Statements (<https://institucional.cablevisionfibertel.com.ar>) and CNV filings available at <http://www.cnv.gov.ar>. Gross and net debt include accrued interest.








[3] Combined figures are the result of the sum of each of the indicated figures for each of TEO and Cablevisión as appear in each of their respective financial statements as of December 31, 2017 and for the annual period ended December 31, 2017.

[4] Gross Debt / EBITDA and Net Debt / EBITDA ratios calculated taking into consideration figures in Argentine Pesos in the full year 2017.

Values in U\$S calculated at a rate of P\$16.57 = U\$S1.00, using as a reference the U.S. dollar ask rate published by the Banco de la Nación Argentina for wire transfers [divisas] and calculated using the average of such FX rate of the full year 2017, except for Net Debt which has been converted at a rate of P\$18.65 = U\$S1.00, which was the exchange rate quoted by Banco Nación for wire transfers [divisas] on December 31, 2017.

MERGER

NEXT STEPS

	BACK END	FRONT END	NETWORK
FUNCTIONS	SAP integration, New ERP platform, Processes integration	CRM implementation, Big Data, Customer Centric	Preferred Network, Capex Optimization, Deployment of new sites and fiber optic
PARTNERS	  	 	 

Significant cost synergies potential, with implementations in course

SYNERGIES	CAPEX efficiency
	Revenues cross-selling and churn reduction
	OPEX savings

AGENDA

MACRO AND INDUSTRY OVERVIEW

VISION & STRATEGY

BUSINESS HIGHLIGHTS

FINANCIALS

THE MERGER

Q&A

TELECOM



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