

TELECOM ARGENTINA SA  
Form 6-K  
April 08, 2010  
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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 April, 2010

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)

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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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**TELECOM ARGENTINA S.A.**

**Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer**

**Consolidated Financial Statements as of December 31, 2009 and December 31, 2008 and for the years ended December 31, 2009, 2008 and 2007**

**\$ : Argentine peso**

**US\$ : US dollar**

**\$3.80 = US\$1 as of December 31, 2009**

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**TELECOM ARGENTINA S.A.**

**Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer**

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Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer

Consolidated Balance Sheets as of December 31, 2009 and 2008

(In millions of Argentine pesos see Note 3.c)

	As of December 31,	
	2009	2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and banks	\$ 62	\$ 36
Investments	1,227	1,089
Accounts receivable, net	1,163	1,009
Other receivables, net	241	209
Inventories, net	243	251
Other assets, net	7	6
<b>Total current assets</b>	<b>2,943</b>	<b>2,600</b>
<b>Non-Current Assets</b>		
Other receivables, net	74	87
Investments	1	7
Fixed assets, net	6,839	6,188
Intangible assets, net	773	772
Other assets, net	3	3
<b>Total non-current assets</b>	<b>7,690</b>	<b>7,057</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,633</b>	<b>\$ 9,657</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,212	\$ 1,769
Debt	763	1,355
Salaries and social security payable	300	237
Taxes payable	769	626
Other liabilities	52	46
Contingencies	73	36
<b>Total current liabilities</b>	<b>4,169</b>	<b>4,069</b>
<b>Non-Current Liabilities</b>		
Accounts payable	24	27
Debt	58	688
Salaries and social security payable	82	83
Taxes payable	212	224
Other liabilities	186	146
Contingencies	374	319
<b>Total non-current liabilities</b>	<b>936</b>	<b>1,487</b>

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<b>TOTAL LIABILITIES</b>	<b>\$ 5,105</b>	<b>\$ 5,556</b>
Noncontrolling interest	92	81
<b>SHAREHOLDERS EQUITY</b>	<b>\$ 5,436</b>	<b>\$ 4,020</b>
<b>TOTAL LIABILITIES, NONCONTROLLING INTEREST AND SHAREHOLDERS EQUITY</b>	<b>\$ 10,633</b>	<b>\$ 9,657</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Gerardo Werthein**  
**Vice-President**



**Table of Contents****TELECOM ARGENTINA S.A.**

Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer

Consolidated Statements of Income for the years ended December 31, 2009, 2008 and 2007

(In millions of Argentine pesos, except per share data in Argentine pesos see Note 3.c)

	For the years ended December 31,		
	2009	2008	2007
<b><u>Continuing operations</u></b>			
Net sales	\$ 12,226	\$ 10,608	\$ 9,074
Cost of services	(6,099)	(5,712)	(5,022)
<b>Gross profit</b>	<b>6,127</b>	<b>4,896</b>	<b>4,052</b>
General and administrative expenses	(449)	(364)	(310)
Selling expenses	(2,916)	(2,491)	(2,106)
<b>Operating income</b>	<b>2,762</b>	<b>2,041</b>	<b>1,636</b>
Gain on equity investees	13		
Financial results, net	(329)	(265)	(441)
Other expenses, net	(229)	(268)	(98)
<b>Net income before income tax and noncontrolling interest.</b>	<b>2,217</b>	<b>1,508</b>	<b>1,097</b>
Income tax expense, net	(797)	(535)	(292)
Noncontrolling interest	(15)	(12)	(23)
<b>Net income from continuing operations</b>	<b>1,405</b>	<b>961</b>	<b>782</b>
<b><u>Discontinued operations</u></b>			
Income from the operations			1
Income from assets disposal			101
<b>Net income from discontinued operations</b>			<b>102</b>
<b>Net income</b>	<b>\$ 1,405</b>	<b>\$ 961</b>	<b>\$ 884</b>
<b>Net income per share</b>	<b>\$ 1.43</b>	<b>\$ 0.98</b>	<b>\$ 0.90</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Gerardo Werthein**  
**Vice-President**

**Table of Contents****TELECOM ARGENTINA S.A.****Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer****Consolidated Statements of Changes in Shareholders' Equity**

for the years ended December 31, 2009, 2008 and 2007

(In millions of Argentine pesos - see Note 3.c)

	Shareholders' contributions			Legal reserve	Unappropriated earnings		Total	Total Shareholders equity
	Common stock	Inflation adjustment of common stock	Total		Foreign currency translation adjustments	Accumulated earnings (deficit)		
<b>Balances as of January 1, 2007</b>	<b>\$ 984</b>	<b>2,688</b>	<b>3,672</b>		<b>49</b>	<b>(1,592)</b>	<b>(1,543)</b>	<b>\$ 2,129</b>
Foreign currency translation adjustments					17		17	17
Net income for the year						884	884	884
<b>Balances as of December 31, 2007</b>	<b>\$ 984</b>	<b>2,688</b>	<b>3,672</b>		<b>66</b>	<b>(708)</b>	<b>(642)</b>	<b>\$ 3,030</b>
Foreign currency translation adjustments					21		21	21
Changes in the fair value of cash flow hedges, net of tax					8		8	8
Net income for the year						961	961	961
<b>Balances as of December 31, 2008</b>	<b>\$ 984</b>	<b>2,688</b>	<b>3,672</b>		<b>95</b>	<b>253</b>	<b>348</b>	<b>\$ 4,020</b>
Foreign currency translation adjustments (i)					19		19	19
Changes in the fair value of cash flow hedges, net of tax					(8)		(8)	(8)
Net income for the year						1,405	1,405	1,405
<b>Balances as of December 31, 2009</b>	<b>\$ 984</b>	<b>2,688</b>	<b>3,672</b>		<b>(ii) 106</b>	<b>1,658</b>	<b>1,764</b>	<b>\$ 5,436</b>

(i) Includes (13) corresponding to the foreign currency translation adjustment realized on capital reimbursement of Núcleo (Notes 5.m and 7.h).

(ii) The balance corresponds to foreign currency translation adjustments.

The accompanying notes are an integral part of these consolidated financial statements.

**Gerardo Werthein**  
Vice-President

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**TELECOM ARGENTINA S.A.**

**Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer**

**Consolidated Statements of Cash Flows for the years ended December 31, 2009, 2008 and 2007**

**(In millions of Argentine pesos see Note 3.c)**

	<b>For the years ended December 31,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS</u></b>			
Net income for the year from continuing operations	\$ 1,405	\$ 961	\$ 782
<b>Adjustments to reconcile net income to net cash flows provided by continuing operations</b>			
Allowance for doubtful accounts and other allowances	182	108	124
Depreciation of fixed assets	1,119	1,267	1,377
Amortization of intangible assets	19	22	39
Gain on equity investees	(13)		
Consumption of materials	109	109	80