

TELECOM ARGENTINA SA  
Form 6-K  
November 05, 2014

**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 November, 2014**

**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

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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

**Telecom Argentina S.A.**

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FOR IMMEDIATE RELEASE

Market Cap P\$60.7 billion

November 3<sup>rd</sup>, 2014

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**Telecom Argentina S.A.**

**announces consolidated nine month period ( 9M14 ) and third  
quarter ( 3Q14 ) results for fiscal year 2014\***

**Consolidated Revenues amounted to P\$24,183 million (+22.0% vs. 9M13); Fixed Data +54.3% vs. 9M13;  
Fixed Internet +28.4% vs. 9M13; and Mobile business in Argentina +21.0% vs. 9M13.**

**Mobile subscribers in Argentina: 19.8 million in 9M14.**

**Mobile Value Added Services in Argentina (Internet and Data): +17.4% vs. 9M13; 60.2% of Service  
Revenues.**

**Mobile ARPU in Argentina reached P\$71.7 per month in 9M14 (+8.5% vs. 9M13).**

**ADSL ARPU increased to P\$148.1 per month in 9M14 (+22.0% vs. 9M13); monthly churn reached 1.3%  
in 9M14.**

**Consolidated Operating costs -including D&A and Results on disposal of PP&E and write-down of PP&E-  
totaled P\$20,380 million (+22.8% vs. 9M13); Costs of handsets sold +43.8%, Employee benefits expenses  
+33.6%, Fees for services, maintenance and materials +32.2% vs. 9M13.**

**Operating Income Before Depreciation and Amortization reached P\$6,186 million (+11.4% vs. 9M13),  
25.6% of Consolidated Revenues.**

**Net Income amounted to P\$2,684 million (+13.7% vs. 9M13). Net Income attributable to Telecom Argentina amounted to P\$2,644 million (+13.8% vs. 9M13). Net Income in 9M13 includes \$172 million charge related to disposal of PP&E. Excluding that effect, Net Income in 9M14 would have increased +6% YoY.**

**Capex increased to P\$3,819 million in 9M14 (+31.9% vs. 9M13), 15.8% of Consolidated Revenues.**

**Net Cash Position: P\$3,526 million, a decrease of P\$2,158 million vs. 9M13, after Telecom Argentina's cash dividend of P\$1,000 million paid in December, 2013 and P\$1,202 million paid in 2014, and higher payments to suppliers and taxes.**

| <i>(in million P\$, except where noted)</i>                      | As of September, 30 |        |         |        |
|--|---------------------|--------|---------|--------|
|  | 2014                | 2013   | D \$    | D %    |
| Consolidated Revenues  | 24,183              | 19,827 | 4,356   | 22.0%  |
| Mobile Services  | 17,941              | 14,713 | 3,228   | 21.9%  |
| Fixed Services   | 6,242               | 5,114  | 1,128   | 22.1%  |
| Operating Income before D&A                                      | 6,186               | 5,554  | 632     | 11.4%  |
| Operating Income   | 3,843               | 3,263  | 580     | 17.8%  |
| Net Income attributable to Telecom Argentina                     | 2,644               | 2,324  | 320     | 13.8%  |
| Shareholders' equity attributable to Telecom Argentina           | 13,378              | 12,027 | 1,351   | 11.2%  |
| Net Financial Position - Cash                                    | 3,526               | 5,684  | (2,158) | -38.0% |
| CAPEX  | 3,819               | 2,896  | 923     | 31.9%  |
| Fixed lines in service (in thousand lines)                       | 4,106               | 4,124  | (18)    | -0.4%  |
| Mobile customers (in thousand)                                   | 22,192              | 22,262 | (70)    | -0.3%  |
| Personal (Argentina)   | 19,767              | 19,855 | (88)    | -0.4%  |
| Núcleo (Paraguay) -including Wimax customers-                    | 2,425               | 2,407  | 18      | 0.8%   |
| Broadband accesses (in thousand)                                 | 1,750               | 1,669  | 81      | 4.9%   |
| Average Billing per user (ARBU) Fixed Telephony / voice (in P\$) | 56.5                | 51.8   | 4.7     | 9.1%   |
| Average Revenue per user (ARPU) Mobile Services in Arg. (in P\$) | 71.7                | 66.1   | 5.6     | 8.5%   |
| Average Revenue per user (ARPU) ADSL (in P\$)                    | 148.1               | 121.4  | 26.7    | 22.0%  |

\* Unaudited non financial data

Buenos Aires, November 3, 2014 - Telecom Argentina ( Telecom ) - (NYSE: TEO; BASE: TECO2), one of Argentina's leading telecommunications companies, announced today a Net Income of P\$2,684 million for the nine-month period ended September 30, 2014, or +13.7% when compared to the same period last year. Net income attributable to Telecom Argentina amounted to P\$2,644 million (+13.8% vs. 9M13).

|  | 9M14   | 9M13   | D \$  | D%    |
|--|--------|--------|-------|-------|
| Consolidated Revenues (MMPS)                     | 24,183 | 19,827 | 4,356 | 22.0% |
| Net Income attributable to Telecom (MMPS)        | 2,644  | 2,324  | 320   | 13.8% |
| Earnings attributable to Telecom per Share (P\$) | 2.7    | 2.4    | 0.3   |       |
| Earnings attributable to Telecom per ADR (P\$)   | 13.6   | 11.8   | 1.8   |       |
| Operating Income before D&A *                    | 25.6%  | 28.0%  |       |       |
| Operating Income *                               | 15.9%  | 16.5%  |       |       |
| Net Income*                                      | 11.1%  | 11.9%  |       |       |

\* As a percentage of Consolidated Revenues

Note: As of 9M14, the average of ordinary shares outstanding amounted to 969,159,605 and 981,858,007 as of 9M13.

During 9M14, Consolidated Revenues increased by 22.0% to P\$24,183 million (+P\$4,356 million vs. 9M13), mainly fueled by the Fixed Data, Broadband businesses and Mobile Services. Moreover, Operating Income reached P\$3,843 million (+P\$580 million or 17.8% vs. 9M13).

#### Consolidated Operating Revenues

##### Mobile Services

During 9M14 clients amounted to 22.2 million as of the end of September 30, 2014 vs. 22.3 million as of September 30, 2013.

Third parties Revenues amounted to P\$17,941 million (+21.9% vs. 9M13) thanks to usage stimulation of value added services ( VAS ) and to innovative commercial offers suitable to the needs of clients.

#### Telecom Personal in Argentina

As of September 30, 2014, Personal reached 19.8 million subscribers in Argentina vs. 19.9 million in 9M13, where postpaid clients represented 32% of the subscriber

base.

In 9M14, third parties Revenues reached P\$16,787 million (+P\$2,916 million or +21.0% vs. 9M13) while Service Revenues (excluding equipment sales) amounted to P\$13,272 million (+12.8% vs. 9M13), with 60.2% corresponding to VAS revenues (vs. 57.9% in 9M13). VAS revenues amounted to P\$7,986 million (+17.4% vs. 9M13). Moreover, equipment sales increased by 66.7% vs. 9M13, reaching P\$3,515 million.

During 9M14 the Average Monthly Revenue per User ( ARPU ) reached P\$71.7 (+8.5% vs. 9M13) due to the increase in VAS consumption. Moreover, SMS traffic decreased due to clients preference for plans and packs with VAS content offered by Personal.

During 3Q14, Personal launched Personal Play unifying its entertainment proposal in one VAS communication platform that includes music, video and gaming. Moreover, in order to enhance clients access to music by streaming, Personal performed an exclusive alliance

with Spotify, the first in Latam, with special promotions in local currency, as well as the possibility to access Spotify Premium through the mobile billing without requiring an international credit card. Going forward, in order to enrich the VAS offer, Personal launched a kids App, Personal Kids with educative and entertainment content.

In addition, Personal continued promoting the Superchip offer with special benefits on credit recharges, extending the double and triple recharges, allowing off net calls with the extra credit given.

Furthermore, Personal is strategically positioned in the corporate segment by incorporating new and flexible offers and quality improvements by introducing a new model that provides support to clients.

Finally, with the aim of improving customers digital experience, Personal renewed its website as an integrated center for customer support and transactions, boosting the e-commerce channel with promotions on tablets and handsets with convenient financing terms.

#### Telecom Personal in Paraguay ( Núcleo )

As of September 30, 2014, Nucleo s subscriber base reached 2.4 million clients (+0.8% vs. 9M13). Prepaid and postpaid customers represented 80% and 20%, respectively.

Nucleo generated revenues from third parties equivalent to P\$1,154 million during 9M14 (+37.1% vs. 9M13). VAS revenues amounted to P\$569 million (+33.3% vs. 9M13) representing 51.8% of 9M14 service revenues (vs. 54.3% in 9M13). Moreover, the level of mobile ARPU reached Gs.27.4 thousand in 9M14 (equivalent to P\$48.5).

#### Fixed Services (Voice, Data & Internet)



During 9M14 revenues generated by fixed services amounted to P\$6,242 million, +22.1% vs. 9M13; with Data revenues (+54.3% vs. 9M13) and Internet (+28.4% vs. 9M13) growing the most in the segment.

#### Voice

Total revenues for this service reached P\$2,790 million in 9M14 (+9.5% vs. 9M13). A portion of this line of business (mainly monthly charge and measured services), continued to be affected by frozen tariffs of regulated services enforced by the Argentine Government in 2002.

Revenues generated by measured services totaled P\$1,131 million, an increase of P\$102 million or +9.9% vs. 9M13 mainly due to the higher penetration of flat rate packs of local and national long distance calls.

Monthly charges and supplementary services reached P\$895 million, an increase of P\$62 million or +7.4% vs. 9M13 due to higher revenues in non-regulated supplementary services. The customer base remained stable at 4.1 million lines in service.

As a result of these increases, the average monthly revenue billed to user (ARBU) reached P\$56.5 in 9M14, +9.1% vs. 9M13.

Fixed and mobile interconnection revenues reached P\$453 million (+12.1% vs. 9M13). Meanwhile, other revenues totaled P\$311 million (+9.9% vs. 9M13).

#### Data and Internet

Data revenues amounted to P\$1,063 million (+P\$374 million or +54.3% vs. 9M13), strengthening the position of Telecom as an integrated ICT provider.

During 3Q14, Telecom continue to incorporate products and value added services as a complement to the portfolio of services that are offered to customers, such as the *Nube Argentina de Telecom* and the state-of-the-art datacenter services.

Revenues related to Internet totaled P\$2,345 million (+P\$518 million or +28.4% vs. 9M13), mainly due to a commercial offer with higher speeds, where 10Mb was the most demanded offer and to the increase of the customer base, with 24 thousand net adds in 3Q14. This was made available thanks to the significant investments in the access network using FTTx technology executed in the past that allows to take fiber optic connections to the closest point to the client.

As of September 30, 2014, Telecom reached 1.8 million ADSL accesses (+4.9% vs. 9M13). These connections represented 42.6% of Telecom's fixed lines in service. In addition, ADSL ARPU reached P\$148.1 in 9M14, +22.0% when compared to 9M13 and the *monthly churn* rate reduced to 1.3% in 9M14 vs. 1.5% in 9M13.

During 3Q14, Telecom continued to drive a strategy based on *bundling*, that combines high speed Internet navigation, through Arnet, with local calls to fixed and mobile numbers. Furthermore, Arnet strengthened the ultra broadband offer, providing up to 30 Mb speed for those clients with technical availability.

#### Consolidated Operating Costs

Consolidated Operating Costs totaled P\$20,380 million in 9M14, an increase of P\$3,790 million, or +22.8% vs. 9M13 (including Results on disposal of PP&E and write-down of PP&E that resulted in a gain of P\$11 million in 9M14). This increase is a consequence of higher labor costs, higher fees for services, maintenance and materials and supplies and higher costs of more sophisticated handsets.

The cost breakdown is as follows:

Employee benefit expenses and severance payments totaled P\$4,002 million (+33.6% vs. 9M13), mainly affected by increases in salaries to unionized employees due to the new collective bargaining agreement set at the beginning of 3Q14 as well as increases in salaries to the non-unionized workforce, together with the social security contributions associated to such concepts. Total employees at the end of the period totaled 16,540.

Interconnection costs and other telecommunication charges (including TLRD, Roaming, Interconnection, international settlement charges and lease of circuits) amounted to P\$1,536 million, +10.8% vs. 9M13. This increase resulted from higher costs related to the lease of circuits and international outbound calls associated to the dollar revaluation, partially compensated by lower charges for roaming.

Fees for services, maintenance and materials and supplies amounted to P\$2,482 million (+32.2% vs. 9M13), mainly due to increases in technical maintenance, higher licenses of systems partially associated to the effect of a higher FX rate and fees for services, mainly due to higher costs recognized to suppliers in both the fixed and mobile businesses.

Taxes and fees with regulatory authorities reached P\$2,399 million (+22.8% vs. 9M13), impacted mainly by higher revenues, a higher incidence due to an increase on the average rate of the turnover taxes, higher bank debit and credit taxes partially related to the dividend payment, as well as higher municipal taxes.

Commissions (Commissions paid to agents, prepaid card commissions and others) totaled P\$1,787 million (+11.2% vs. 9M13), mainly due to the increase in commissions paid to commercial channels as well as collection fees, both associated to the increase in more sophisticated equipment sales. Agent commissions capitalized as SAC amounted to P\$634 million (+72.8% vs. 9M13).

Cost of handsets sold totaled P\$3,119 million (+43.8% vs. 9M13), due to an increase in the participation of high-end handsets, that resulted in higher unit prices, also impacted by a higher FX rate. This was partially compensated by a lower number of handsets sold. Deferred costs from SAC amounted to P\$83 million (-62.8% vs. 9M13). The lower deferred costs were derived from the reduction in handset subsidies given to clients.

Advertising amounted to P\$512 million (+13.3% vs. 9M13), mainly due to slightly higher commercial expenses and campaigns in comparison to 9M13.

Depreciation and Amortization reached P\$2,354 million (+10.5% vs. 9M13). PP&E depreciation amounted to P\$1,740 million (+20.2% vs. 9M13); Amortization of SAC and service connection costs totaled P\$596 million (-10.4% vs. 9M13); and other intangible assets reached P\$18 million, same level when compared to 9M13.

Other Costs totaled P\$2,200 million (+18.4% vs. 9M13). This increase was mainly due to VAS costs that totaled P\$679 million (+35.0% vs. 9M13), related to the increase of sales of those services, especially in the mobile business. Bad debt expenses reached P\$327 million (+48.0% vs. 9M13) representing 1.6% of consolidated costs and 1.4% of consolidated revenues. Meanwhile, charges related to lawsuits and other contingencies amounted to P\$102 million in 9M14 (-54.7% vs. 9M13) related to adjustments in charges related to provisions arise from regulatory matters.

Consolidated Financial Results

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Net Financial results amounted P\$230 million, a decrease of P\$147 million or -39.0% vs. 9M13. This was mainly due to gains in net financial interest of P\$231 million in 9M14 (-P\$197 million vs. 9M13) and losses for FX results of P\$205 million in 9M14 (vs. a loss of P\$131 million in 9M13). Meanwhile gains on Mutual Funds amounted to P\$113 million (+P\$67 million vs. 9M13) and results on NDF generated a loss of P\$20 million in 9M14 (vs. a gain of P\$14 million in 9M13).

| <b>in million of AR\$</b> | <b>9M13</b>   | <b>9M14</b>   |
|---------------------------|---------------|---------------|
| Net Interests             | \$ 428        | \$ 231        |
| Gains on Mutual Funds     | \$ 46         | \$ 113        |
| FX results                | - \$ 131      | - \$ 205      |
| Results on NDF            | \$ 14         | - \$ 20       |
| Others                    | \$ 20         | \$ 111        |
| <b>Total</b>              | <b>\$ 377</b> | <b>\$ 230</b> |

## Consolidated Net Financial Position

As of September 30, 2014, Net Financial Position (Cash, Cash Equivalents and financial Investments minus Loans) totaled P\$3,526 million in cash, a decrease of P\$2,158 million when compared to the Net Financial Position as of September 30, 2013, after the cash dividend of Telecom Argentina that corresponded to fiscal year 2012 of P\$1,000 million paid in 4Q13 and the cash dividend payment of P\$1,202 million paid in two equal installments in June and in September 2014 that corresponded to the previous fiscal year, and also because of higher payments to suppliers and taxes.

## Capital Expenditures

During 9M14, the Company invested P\$3,819 million (+31.9% vs. 9M13). Of this amount, P\$1,542 million were allocated to Fixed Services and P\$2,277 million to Mobile services. In relative terms, Capex reached 15.8% of consolidated revenues vs. 14.6% in 9M13.

The main capital expenditures in the fixed business were associated to the transport upgrade both in the backbone and in the deployment of fiber optic and the backhauling. These actions were taken in order to offer higher internet speeds, and thus improve the navigation experience in Internet.

In the mobile business, the deployment of 3G coverage continued, to face the incremental demand of data traffic together with innovative VAS services. It is expected to continue increasing the capacity and capillarity of the 3G network to optimize the use of the existing spectrum.

## Relevant Matters

### Cash Dividend Distribution

The General Ordinary Shareholders Meeting of Telecom Argentina, in its meeting held on April 29<sup>th</sup>, 2014 adjourned to May 21<sup>st</sup>, 2014, resolved in the second part of deliberations to approve a cash dividend payment for the fiscal year ended on December, 31, 2013 for a total amount of P\$1,201,757,911. Moreover, it resolved that this cash dividend distribution should be paid in two equal installments of P\$600,878,955.50 each. The first installment was paid on June 10<sup>th</sup>, 2014 and the second on September 22<sup>nd</sup>, 2014.

The amount distributed was equivalent to approximately P\$0.62 per share outstanding and approximately P\$3.10 per ADR, before the deductions and retentions, if applicable, of the Personal Asset Tax and Income Tax, respectively.

## Other Matters

### Spectrum Auction

On October 7th, 2014, the Argentine Secretary of Communications (SC) issued Resolution N° 65/14 where established that companies: TELEFÓNICA MÓVILES ARGENTINA S.A., TELECOM PERSONAL S.A., ARLINK S.A. y AMX ARGENTINA S.A. prequalified for the Auction for bands of the Personal Communications Services (PCS), the Mobile Cellular Radiocommunication Services (SRMC), as well as the spectrum for the Advanced Mobile Communications Services (SCMA). These bands correspond to the remaining spectrum in 850 MHz and 1,900 MHz, the bands 698-806 MHz, and 90 MHz in 1,710-1,770 / 2,110 2,170 MHz for SCMA, leaving out of this auction 30 MHz in 1,755-1,770 and 2,155-2,170 spectrum for future usage, while maintaining the cap of 50 MHz for SRMC and PCS, and 60 MHz for SCMA.

In this respect, we inform you that on October 31, 2014 the Tender Offer related to the Spectrum Auction took place with the participation of the four (4) prequalified companies: Telecom Personal S.A., Telefónica Móviles Argentina S.A., Arlink S.A., and AMX Argentina S.A.

For the following Lots, as defined in Annex I of the List of Conditions of the Auction (the List of Conditions ), Telecom Personal submitted winning economic offers during the auction rounds:

- i) For the SRMC service, in Lot N° 2 (Band: 830.25-834 / 875.25-879);
- ii) For the PCS service, in Lot N° 5 (Band: 1890-1892.5 / 1970-1972.5) and in Lot N° 6 (Band: 1862.5-1867.5 / 1942.5-1947.5);
- iii) For the SCMA service, in Lot N° 8 (Band: 1730-1745 / 2130-2145 and Band: 713-723 / 768-778).

For the acquisition of these Frequency Bands, the Company has committed in the Auction the total consideration of the equivalent of U\$S 658 million (currency of offer), amount that reveals a strong commitment of the Telecom Group with the country, its customers and employees.

### Telecom Italia Fintech transaction

On November 14<sup>th</sup>, 2013, Telecom Italia S.p.A. and Telecom Italia International N.V. (the Sellers ), as well as Tierra Argentea S.A. ( Tierra Argentea ), a company controlled by the sellers, have accepted the offer of Fintech Group for the acquisition of the entire controlling interest of Telecom Italia Group in Telecom Argentina, held by the Sellers, through its subsidiaries Sofora Telecomunicaciones S.A., Nortel Inversora S.A. and Tierra Argentea. On December, 10<sup>th</sup>, 2013, Tierra Argentea formalized the transfer to the Fintech Group of the Class B Shares of Telecom Argentina, representative of 1.58% of the capital stock of Telecom



Argentina and Nortel's ADRs representative of 8% of total Preferred B Shares.

On October 25<sup>th</sup>, 2014 Telecom Italia S.p.A. accepted an offer from the Fintech Group to amend and restate the original existing agreement, signed on November 14<sup>th</sup>, 2013. Under the amended agreement: 1) On October 29<sup>th</sup>, 2014 the sale to Fintech of the 17%

minority interest held by Telecom Italia N.V. International in Sofora has taken place; 2) the sale of the 51% controlling interest in Sofora is conditional upon obtaining regulatory approval by the Argentine Secretary of Communications and will not occur until after such approval is obtained. That sale is expected to occur within the next two and a half years.

The majority of Sofora's Board of Directors will continue to be appointed by Telecom Italia Group until receipt of Argentine regulatory approval and closing of the sale of Telecom Italia's 51% controlling interest in Sofora. No material change in the corporate governance of Sofora and its subsidiaries is foreseen.

As of today, Sofora's shares belong to Telecom Italia S.p.A. (32.5%), to Telecom Italia International N.V. (18.5%), to W de Argentina Inversiones S.L. (32%) and to Fintech Telecom LLC (17%). The economic rights of Telecom Italia Group amounted to 19.3 % as of September, 30, 2014 and 14.5% as of today.

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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.

Nortel Inversora S.A. (Nortel), which acquired the majority of the Company from the Argentine government, holds 54.74% of Telecom's issued 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 September 30, 2014, Telecom continued to have 984,380,978 shares issued and 969,159,605 shares outstanding.

For more information, please contact Investor Relations:

|                              |                       |                  |                  |                   |
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#### 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 include 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 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 of 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)

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**Enrique Garrido**

**Chairman**

**TELECOM ARGENTINA S.A.****Consolidated information****Nine month Period and Third Quarter - Fiscal Year 2014****(In million of Argentine pesos)****1- Consolidated Balance Sheet**

|                                       | 09/30/14      | 12/31/13      | D \$           | D %           |
|---------------------------------------|---------------|---------------|----------------|---------------|
| Cash and cash equivalents             | 2,408         | 5,224         | (2,816)        | -53.9%        |
| Investments                           | 352           | 123           | 229            | 186.2%        |
| Trade receivables                     | 3,715         | 2,986         | 729            | 24.4%         |
| Other Receivables                     | 1,774         | 1,418         | 356            | 25.1%         |
| <b>Total current assets</b>           | <b>8,249</b>  | <b>9,751</b>  | <b>(1,502)</b> | <b>-15.4%</b> |
| Financial Investments                 | 1,058         | 242           | 816            |               |
| Trade receivables                     | 15            | 21            | (6)            | -28.6%        |
| Property, plant and equipment         | 13,114        | 11,226        | 1,888          | 16.8%         |
| Intangible assets                     | 1,703         | 1,519         | 184            | 12.1%         |
| Other Receivables                     | 533           | 371           | 162            | 43.7%         |
| <b>Total non-current assets</b>       | <b>16,423</b> | <b>13,379</b> | <b>3,044</b>   | <b>22.8%</b>  |
| <b>Total Assets</b>                   | <b>24,672</b> | <b>23,130</b> | <b>1,542</b>   | <b>6.7%</b>   |
| Trade payables                        | 5,852         | 6,130         | (278)          | -4.5%         |
| Deferred revenues                     | 477           | 423           | 54             | 12.8%         |
| Financial debt                        | 32            | 15            | 17             | 113.3%        |
| Salaries and social security payables | 843           | 741           | 102            | 13.8%         |
| Income tax payables                   | 715           | 801           | (86)           | -10.7%        |
| Other taxes payables                  | 668           | 667           | 1              | 0.1%          |
| Dividend Payable                      | 26            |               | 26             |               |
| Other liabilities                     | 47            | 49            | (2)            | -4.1%         |
| Provisions                            | 169           | 224           | (55)           | -24.6%        |
| <b>Total current liabilities</b>      | <b>8,829</b>  | <b>9,050</b>  | <b>(221)</b>   | <b>-2.4%</b>  |
| Trade payables                        |               | 1             | (1)            | -100.0%       |
| Deferred revenues                     | 448           | 453           | (5)            | -1.1%         |
| Financial debt                        | 260           | 220           | 40             | 18.2%         |
| Salaries and social security payables | 151           | 118           | 33             | 28.0%         |
| Deferred income tax liabilities       |               | 126           | (126)          | -100.0%       |
| Income tax payables                   | 9             | 10            | (1)            | -10.0%        |
| Other liabilities                     | 89            | 68            | 21             | 30.9%         |
| Provisions                            | 1,172         | 1,033         | 139            | 13.5%         |
| <b>Total non-current liabilities</b>  | <b>2,129</b>  | <b>2,029</b>  | <b>100</b>     | <b>4.9%</b>   |
| <b>TOTAL LIABILITIES</b>              | <b>10,958</b> | <b>11,079</b> | <b>(121)</b>   | <b>-1.1%</b>  |

|  |               |               |              |              |
|--|---------------|---------------|--------------|--------------|
| Equity attributable to Telecom Argentina (Controlling Company) | <b>13,378</b> | <b>11,783</b> | <b>1,595</b> | <b>13.5%</b> |
| Non-controlling interest                                       | 336           | 268           | 68           | 25.4%        |
| <b>TOTAL EQUITY</b>  | <b>13,714</b> | <b>12,051</b> | <b>1,663</b> | <b>13.8%</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                            | <b>24,672</b> | <b>23,130</b> | <b>1,542</b> | <b>6.7%</b>  |

## 2- Consolidated Loans

|  | <b>09/30/14</b> | <b>12/31/13</b> | <b>D\$</b>     | <b>D%</b>     |
|--|-----------------|-----------------|----------------|---------------|
| Banks loans  | 30              | 10              | 20             | 200.0%        |
| Accrued interest                                     | 2               | 5               | (3)            | -60.0%        |
| <b>Total Current Loans</b>                           | <b>32</b>       | <b>15</b>       | <b>17</b>      | <b>113.3%</b> |
| Banks loans  | 260             | 220             | 40             | 18.2%         |
| <b>Total Non Current Loans</b>                       | <b>260</b>      | <b>220</b>      | <b>40</b>      | <b>18.2%</b>  |
| <b>Total Loans</b>                                   | <b>292</b>      | <b>235</b>      | <b>57</b>      | <b>24.3%</b>  |
| Cash and cash equivalents, and Financial Investments | 3,818           | 5,589           | (1,771)        | -31.7%        |
| <b>Net Financial Position- Cash</b>                  | <b>3,526</b>    | <b>5,354</b>    | <b>(1,828)</b> | <b>-34.1%</b> |

**TELECOM ARGENTINA S.A.****Consolidated information****Nine month Period and Third Quarter - Fiscal Year 2014****(In million of Argentine pesos)****3- Consolidated Income Statements**

|   | 09/30/14        | 12/31/13        | D \$         | D %          |
|---|-----------------|-----------------|--------------|--------------|
| <b>Revenues</b>   | <b>24,183</b>   | <b>19,827</b>   | <b>4,356</b> | <b>22.0%</b> |
| Other income  | 40              | 26              | 14           | 53.8%        |
| <b>Total Revenues &amp; Other Income</b>  | <b>24,223</b>   | <b>19,853</b>   | <b>4,370</b> | <b>22.0%</b> |
| Consolidated Operating Costs  | (20,380)        | (16,590)        | (3,790)      | 22.8%        |
| <b>Operating income</b>   | <b>3,843</b>    | <b>3,263</b>    | <b>580</b>   | <b>17.8%</b> |
| Finance results, net  | 230             | 377             | (147)        | -39.0%       |
| <b>Net income before income tax expense</b>   | <b>4,073</b>    | <b>3,640</b>    | <b>433</b>   | <b>11.9%</b> |
| Income tax expense  | (1,389)         | (1,279)         | (110)        | 8.6%         |
| <b>Net income</b>   | <b>2,684</b>    | <b>2,361</b>    | <b>323</b>   | <b>13.7%</b> |
| Attributable to:  |                 |                 |              |              |
| Telecom Argentina (Controlling Company)   | 2,644           | 2,324           | 320          | 13.8%        |
| Non-controlling interest  | 40              | 37              | 3            | 8.1%         |
| <b>Operating income before D&amp;A</b>  | <b>6,186</b>    | <b>5,554</b>    | <b>632</b>   | <b>11.4%</b> |
| As % of Revenues  | 25.6%           | 28.0%           |              |              |
| <b>Finance Income and Expenses</b>  | <b>09/30/14</b> | <b>12/31/13</b> | <b>D \$</b>  | <b>D %</b>   |
| <i>Finance Income</i>   |                 |                 |              |              |
| Interest on time deposits   | 274             | 429             | (155)        | -36.1%       |
| Gains on other investments (notes and bonds)  | 111             | 23              | 88           |              |
| Gains on Mutual Funds   | 113             | 46              | 67           | 145.7%       |
| Interest on receivables   | 119             | 90              | 29           | 32.2%        |
| Foreign currency exchange gains   | 647             | 249             | 398          | 159.8%       |
| Gain on NDF   | 42              | 14              | 28           | 200.0%       |
| Others  | 3               | 8               | (5)          | -62.5%       |
| <b>Total finance income</b>   | <b>1,309</b>    | <b>859</b>      | <b>450</b>   | <b>52.4%</b> |
| <i>Finance expenses</i>   |                 |                 |              |              |
| Interest on financial debt  | (20)            | (12)            | (8)          | 66.7%        |
| Interest on salaries and social security, other taxes and accounts payable                          | (31)            | (13)            | (18)         | 138.5%       |
| Interest on provisions  | (111)           | (69)            | (42)         | 60.9%        |
| Present value effect of salaries and social security and other taxes payables and other liabilities | (3)             | (7)             | 4            | -57.1%       |

|                                  |                |              |              |               |
|----------------------------------|----------------|--------------|--------------|---------------|
| Foreign currency exchange losses | (852)          | (380)        | (472)        | 124.2%        |
| Losses on NDF                    | (62)           |              | (62)         |               |
| Others                           |                | (1)          | 1            | -100.0%       |
| <b>Total finance expenses</b>    | <b>(1,079)</b> | <b>(482)</b> | <b>(597)</b> | <b>123.9%</b> |
|                                  | <b>230</b>     | <b>377</b>   | <b>(147)</b> | <b>-39.0%</b> |

#### 4- Consolidated Income Statements

##### Three Months Comparison

|   | 09/30/14     | 09/30/13     | D \$         | D %          |
|---|--------------|--------------|--------------|--------------|
| <b>Revenues</b>                             | <b>8,598</b> | <b>7,114</b> | <b>1,484</b> | <b>20.9%</b> |
| Other income                                | 10           | 13           | (3)          | -23.1%       |
| <b>Total Revenues &amp; Other Income</b>    | <b>8,608</b> | <b>7,127</b> | <b>1,481</b> | <b>20.8%</b> |
| Consolidated Operating Costs                | (7,383)      | (5,924)      | (1,459)      | 24.6%        |
| <b>Operating income</b>                     | <b>1,225</b> | <b>1,203</b> | <b>22</b>    | <b>1.8%</b>  |
| Finance results, net                        | 76           | 163          | (87)         | -53.4%       |
| <b>Net income before income tax expense</b> | <b>1,301</b> | <b>1,366</b> | <b>(65)</b>  | <b>-4.8%</b> |
| Income tax expense                          | (453)        | (480)        | 27           | -5.6%        |
| <b>Net income</b>                           | <b>848</b>   | <b>886</b>   | <b>(38)</b>  | <b>-4.3%</b> |
| Attributable to:                            |              |              |              |              |
| Telecom Argentina (Controlling Company)     | 839          | 870          | (31)         | -3.6%        |
| Non-controlling interest                    | 9            | 16           | (7)          | -43.8%       |
| <b>Operating income before D&amp;A</b>      | <b>2,067</b> | <b>1,930</b> | <b>137</b>   | <b>7.1%</b>  |
| As % of Revenues                            | 24.0%        | 27.1%        |              |              |



**TELECOM ARGENTINA S.A.****Consolidated information****Nine month Period and Third Quarter - Fiscal Year 2014****(In million of Argentine pesos)****5- Breakdown of the Income Statements**

|                                | 09/30/14      | 09/30/13      | D \$         | D %          |
|--------------------------------|---------------|---------------|--------------|--------------|
| <b>REVENUES FROM SERVICES</b>  | <b>20,568</b> | <b>17,614</b> | <b>2,954</b> | <b>16.8%</b> |
| <i>Fixed Services</i>          | <b>6,198</b>  | <b>5,065</b>  | <b>1,133</b> | <b>22.4%</b> |
| <b>Voice</b>                   | 2,790         | 2,549         | 241          | 9.5%         |
| <b>Retail Voice</b>            | <b>2,109</b>  | <b>1,969</b>  | <b>140</b>   | <b>7.1%</b>  |
| Monthly Charges                | 895           | 833           | 62           | 7.4%         |
| Measured Services              | 1,131         | 1,029         | 102          | 9.9%         |
| Others                         | 83            | 107           | (24)         | -22.4%       |
| <b>Wholesale</b>               | <b>681</b>    | <b>580</b>    | <b>101</b>   | <b>17.4%</b> |
| Interconnection                | 453           | 404           | 49           | 12.1%        |
| Others                         | 228           | 176           | 52           | 29.5%        |
| <b>Data</b>                    | <b>1,063</b>  | <b>689</b>    | <b>374</b>   | <b>54.3%</b> |
| <b>Internet</b>                | <b>2,345</b>  | <b>1,827</b>  | <b>518</b>   | <b>28.4%</b> |
| <i>Mobiles Services</i>        | <b>14,370</b> | <b>12,549</b> | <b>1,821</b> | <b>14.5%</b> |
| <i>Telecom Personal</i>        | <b>13,272</b> | <b>11,762</b> | <b>1,510</b> | <b>12.8%</b> |
| <b>Voice</b>                   | <b>5,286</b>  | <b>4,957</b>  | <b>329</b>   | <b>6.6%</b>  |
| <b>Retail Voice</b>            | <b>3,830</b>  | <b>3,538</b>  | <b>292</b>   | <b>8.3%</b>  |
| Monthly Charges                | 2,172         | 1,741         | 431          | 24.8%        |
| Measured Services              | 1,220         | 1,499         | (279)        | -18.6%       |
| Roaming                        | 215           | 165           | 50           | 30.3%        |
| Others                         | 223           | 133           | 90           | 67.7%        |
| <b>Wholesale</b>               | <b>1,456</b>  | <b>1,419</b>  | <b>37</b>    | <b>2.6%</b>  |
| Interconnection (CPP and TLRD) | 1,196         | 1,194         | 2            | 0.2%         |
| Roaming                        | 229           | 204           | 25           | 12.3%        |
| Others                         | 31            | 21            | 10           | 47.6%        |
| <b>Data</b>                    | <b>5,692</b>  | <b>5,333</b>  | <b>359</b>   | <b>6.7%</b>  |
| <b>Internet</b>                | <b>2,294</b>  | <b>1,472</b>  | <b>822</b>   | <b>55.8%</b> |
| <i>Núcleo</i>                  | <b>1,098</b>  | <b>787</b>    | <b>311</b>   | <b>39.5%</b> |
| <b>Voice</b>                   | <b>529</b>    | <b>360</b>    | <b>169</b>   | <b>46.9%</b> |
| <b>Retail Voice</b>            | <b>435</b>    | <b>273</b>    | <b>162</b>   | <b>59.3%</b> |
| Monthly Charges                | 191           | 94            | 97           | 103.2%       |
| Measured Services              | 229           | 172           | 57           | 33.1%        |
| Roaming                        | 7             | 5             | 2            | 40.0%        |

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|   |               |               |              |               |
|---|---------------|---------------|--------------|---------------|
| Others  | 8             | 2             | 6            |               |
| <b>Wholesale</b>                                | <b>94</b>     | <b>87</b>     | <b>7</b>     | <b>8.0%</b>   |
| Interconnection (CPP and TLRD)                  | 91            | 57            | 34           | 59.6%         |
| Roaming   | 3             | 30            | (27)         | -90.0%        |
| <b>Data</b>                                     | <b>248</b>    | <b>234</b>    | <b>14</b>    | <b>6.0%</b>   |
| <b>Internet</b>                                 | <b>321</b>    | <b>193</b>    | <b>128</b>   | <b>66.3%</b>  |
| <b><u>REVENUES FROM EQUIPMENT SALES</u></b>     | <b>3,615</b>  | <b>2,213</b>  | <b>1,402</b> | <b>63.4%</b>  |
| <i>Fixed Services</i>                           | <b>44</b>     | <b>49</b>     | <b>(5)</b>   | <b>-10.2%</b> |
| <i>Mobiles Services</i>                         | <b>3,571</b>  | <b>2,164</b>  | <b>1,407</b> | <b>65.0%</b>  |
| Equipments (Personal)                           | 3,515         | 2,109         | 1,406        | 66.7%         |
| Equipments (Núcleo)                             | 56            | 55            | 1            | 1.8%          |
| <b><u>REVENUES</u></b>                          | <b>24,183</b> | <b>19,827</b> | <b>4,356</b> | <b>22.0%</b>  |
| <b><u>OTHER INCOME</u></b>                      | <b>40</b>     | <b>26</b>     | <b>14</b>    | <b>53.8%</b>  |
| Fixed   | 24            | 18            | 6            | 33.3%         |
| Mobile  | 16            | 8             | 8            | 100.0%        |
| <b><u>TOTAL REVENUES &amp; OTHER INCOME</u></b> | <b>24,223</b> | <b>19,853</b> | <b>4,370</b> | <b>22.0%</b>  |

Note: Reclassifications have been made in the breakdown of 9M13 mobile service revenues as changes were implemented in the allocation criteria of revenues between voice, data, and Internet items of postpaid plans.

**TELECOM ARGENTINA S.A.****Consolidated information***Nine month Period and Third Quarter - Fiscal Year 2014***(In million of Argentine pesos)****6- BREAKDOWN OF THE INCOME STATEMENTS****Three Months Comparison**

|                                      | 09/30/14     | 09/30/13     | D \$       | D %          |
|--------------------------------------|--------------|--------------|------------|--------------|
| <b><u>REVENUES FROM SERVICES</u></b> | <b>7,165</b> | <b>6,203</b> | <b>962</b> | <b>15.5%</b> |
| <i>Fixed Services</i>                | <b>2,173</b> | <b>1,760</b> | <b>413</b> | <b>23.5%</b> |
| <b>Voice</b>                         | <b>951</b>   | <b>876</b>   | <b>75</b>  | <b>8.6%</b>  |
| <b>Retail Voice</b>                  | <b>723</b>   | <b>672</b>   | <b>51</b>  | <b>7.6%</b>  |
| Monthly Charges                      | 303          | 285          | 18         | 6.3%         |
| Measured Services                    | 391          | 352          | 39         | 11.1%        |
| Others                               | 29           | 35           | (6)        | -17.1%       |
| <b>Wholesale</b>                     | <b>228</b>   | <b>204</b>   | <b>24</b>  | <b>11.8%</b> |
| Interconnection                      | 151          | 143          | 8          | 5.6%         |
| Others                               | 77           | 61           | 16         | 26.2%        |
| <b>Data</b>                          | <b>380</b>   | <b>248</b>   | <b>132</b> | <b>53.2%</b> |
| <b>Internet</b>                      | <b>842</b>   | <b>636</b>   | <b>206</b> | <b>32.4%</b> |
| <i>Mobiles Sevices</i>               | <b>4,992</b> | <b>4,443</b> | <b>549</b> | <b>12.4%</b> |
| <b><u>Telecom Personal</u></b>       | <b>4,599</b> | <b>4,179</b> | <b>420</b> | <b>10.1%</b> |
| <b>Voice</b>                         | <b>1,715</b> | <b>1,653</b> | <b>62</b>  | <b>3.8%</b>  |
| <b>Retail Voice</b>                  | <b>1,235</b> | <b>1,200</b> | <b>35</b>  | <b>2.9%</b>  |
| Monthly Charges                      | 741          | 577          | 164        | 28.4%        |
| Measured Services                    | 365          | 538          | (173)      | -32.2%       |
| Roaming                              | 58           | 52           | 6          | 11.5%        |
| Others                               | 71           | 33           | 38         | 115.2%       |
| <b>Wholesale</b>                     | <b>480</b>   | <b>453</b>   | <b>27</b>  | <b>6.0%</b>  |
| Interconnection (CPP and TLRD)       | 402          | 421          | (19)       | -4.5%        |
| Roaming                              | 67           | 23           | 44         | 191.3%       |
| Others                               | 11           | 9            | 2          | 22.2%        |
| <b>Data</b>                          | <b>2,015</b> | <b>1,969</b> | <b>46</b>  | <b>2.3%</b>  |
| <b>Internet</b>                      | <b>869</b>   | <b>557</b>   | <b>312</b> | <b>56.0%</b> |
| <b><u>Núcleo</u></b>                 | <b>393</b>   | <b>264</b>   | <b>129</b> | <b>48.9%</b> |
| <b>Voice</b>                         | <b>195</b>   | <b>118</b>   | <b>77</b>  | <b>65.3%</b> |
| <b>Retail Voice</b>                  | <b>155</b>   | <b>96</b>    | <b>59</b>  | <b>61.5%</b> |
| Monthly Charges                      | 66           | 36           | 30         | 83.3%        |

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|   |              |              |              |               |
|---|--------------|--------------|--------------|---------------|
| Measured Services                               | 81           | 58           | 23           | 39.7%         |
| Roaming   | 2            | 1            | 1            | 100.0%        |
| Others  | 6            | 1            | 5            |               |
| <b>Wholesale</b>                                | <b>40</b>    | <b>22</b>    | <b>18</b>    | <b>81.8%</b>  |
| Interconnection (CPP and TLRD)                  | 37           | 19           | 18           | 94.7%         |
| Roaming   | 3            | 3            |              | 0.0%          |
| <b>Data</b>                                     | <b>84</b>    | <b>77</b>    | <b>7</b>     | <b>9.1%</b>   |
| <b>Internet</b>                                 | <b>114</b>   | <b>69</b>    | <b>45</b>    | <b>65.2%</b>  |
| <b><u>REVENUES FROM EQUIPMENT SALES</u></b>     | <b>1,433</b> | <b>911</b>   | <b>522</b>   | <b>57.3%</b>  |
| <i>Fixed Services</i>                           | <b>13</b>    | <b>19</b>    | <b>(6)</b>   | <b>-31.6%</b> |
| <i>Mobiles Sevices</i>                          | <b>1,420</b> | <b>892</b>   | <b>528</b>   | <b>59.2%</b>  |
| Equipments (Personal)                           | 1,400        | 874          | 526          | 60.2%         |
| Equipments (Núcleo)                             | 20           | 18           | 2            | 11.1%         |
| <b><u>REVENUES</u></b>                          | <b>8,598</b> | <b>7,114</b> | <b>1,484</b> | <b>20.9%</b>  |
| <b><u>OTHER INCOME</u></b>                      | <b>10</b>    | <b>13</b>    | <b>(3)</b>   | <b>-23.1%</b> |
| Fixed   | 7            | 6            | 1            | 16.7%         |
| Mobile  | 3            | 7            | (4)          | -57.1%        |
| <b><u>TOTAL REVENUES &amp; OTHER INCOME</u></b> | <b>8,608</b> | <b>7,127</b> | <b>1,481</b> | <b>20.8%</b>  |

Note: Reclassifications have been made in the breakdown of 3Q13 mobile service revenues as changes were implemented in the allocation criteria of revenues between voice, data, and Internet items of postpaid plans.

**TELECOM ARGENTINA S.A.****Consolidated information****Nine month Period and Third Quarter - Fiscal Year 2014****(In million of Argentine pesos)****7- Consolidated Income Statements**

|   | 09/30/14        | 09/30/13        | D \$           | D %          |
|---|-----------------|-----------------|----------------|--------------|
| Revenues  | 24,183          | 19,827          | 4,356          | 22.0%        |
| Other income  | 40              | 26              | 14             | 53.8%        |
| <b>Total Revenues &amp; Other Income</b>                  | <b>24,223</b>   | <b>19,853</b>   | <b>4,370</b>   | <b>22.0%</b> |
| Employee benefit expenses and severance payments          | (4,002)         | (2,996)         | (1,006)        | 33.6%        |
| Interconnection costs and other telecommunication charges | (1,536)         | (1,386)         | (150)          | 10.8%        |
| Fees for services, maintenance, materials and supplies    | (2,482)         | (1,877)         | (605)          | 32.2%        |
| Taxes and fees with the Regulatory Authority              | (2,399)         | (1,954)         | (445)          | 22.8%        |
| Commissions   | (1,787)         | (1,607)         | (180)          | 11.2%        |
| Cost of equipments and handsets                           | (3,119)         | (2,169)         | (950)          | 43.8%        |
| Advertising   | (512)           | (452)           | (60)           | 13.3%        |
| Cost of Value Added Services                              | (679)           | (503)           | (176)          | 35.0%        |
| Provisions  | (102)           | (225)           | 123            | -54.7%       |
| Bad debt expenses   | (327)           | (221)           | (106)          | 48.0%        |
| Recovery of restructuring costs                           |                 | 8               | (8)            |              |
| Other operating expenses                                  | (1,092)         | (917)           | (175)          | 19.1%        |
| <b>Subtotal Operating costs</b>                           | <b>(18,037)</b> | <b>(14,299)</b> | <b>(3,738)</b> | <b>26.1%</b> |
| <b>Operating income before D&amp;A</b>                    | <b>6,186</b>    | <b>5,554</b>    | <b>632</b>     | <b>11.4%</b> |
| D&A   | (2,354)         | (2,130)         | (224)          | 10.5%        |
| Results on disposal of PP&E and write -down of PP&E       | 11              | (161)           | 172            | -106.8%      |
| <b>Operating income</b>                                   | <b>3,843</b>    | <b>3,263</b>    | <b>580</b>     | <b>17.8%</b> |
| Finance Income  | 1,309           | 859             | 450            | 52.4%        |
| Finance Expenses  | (1,079)         | (482)           | (597)          | 123.9%       |
| <b>Net income before income tax expense</b>               | <b>4,073</b>    | <b>3,640</b>    | <b>433</b>     | <b>11.9%</b> |
| Income tax expense  | (1,389)         | (1,279)         | (110)          | 8.6%         |
| <b>Net Income</b>   | <b>2,684</b>    | <b>2,361</b>    | <b>323</b>     | <b>13.7%</b> |
| Attributable to:  |                 |                 |                |              |
| Telecom Argentina (Controlling Company)                   | 2,644           | 2,324           | 320            | 13.8%        |
| Non-controlling interest                                  | 40              | 37              | 3              | 8.1%         |

**TELECOM ARGENTINA S.A.****Consolidated information****Nine month Period and Third Quarter - Fiscal Year 2014****(In million of Argentine pesos)****8- CONSOLIDATED INCOME STATEMENTS****Three Months Comparison**

|   | <b>09/30/14</b> | <b>09/30/13</b> | <b>D \$</b>    | <b>D%</b>    |
|---|-----------------|-----------------|----------------|--------------|
| Revenues  | 8,598           | 7,114           | 1,484          | 20.9%        |
| Other income  | 10              | 13              | (3)            | -23.1%       |
| <b>Total Revenues &amp; Other Income</b>                  | <b>8,608</b>    | <b>7,127</b>    | <b>1,481</b>   | <b>20.8%</b> |
| Employee benefit expenses and severance payments          | (1,465)         | (1,123)         | (342)          | 30.5%        |
| Interconnection costs and other telecommunication charges | (516)           | (380)           | (136)          | 35.8%        |
| Fees for services, maintenance, materials and supplies    | (883)           | (663)           | (220)          | 33.2%        |
| Taxes and fees with the Regulatory Authority              | (835)           | (706)           | (129)          | 18.3%        |
| Commissions   | (669)           | (583)           | (86)           | 14.8%        |
| Cost of equipments and handsets                           | (1,226)         | (881)           | (345)          | 39.2%        |
| Advertising   | (171)           | (166)           | (5)            | 3.0%         |
| Cost of Value Added Services                              | (273)           | (202)           | (71)           | 35.1%        |
| Provisions  |                 | (128)           | 128            |              |
| Bad debt expenses   | (94)            | (56)            | (38)           | 67.9%        |
| Other operating expenses                                  | (409)           | (309)           | (100)          | 32.4%        |
| <b>Subtotal Operating costs</b>                           | <b>(6,541)</b>  | <b>(5,197)</b>  | <b>(1,344)</b> | <b>25.9%</b> |
| <b>Operating income before D&amp;A</b>                    | <b>2,067</b>    | <b>1,930</b>    | <b>137</b>     | <b>7.1%</b>  |
| D&A   | (843)           | (731)           | (112)          | 15.3%        |
| Results on disposal of PP&E and write-down of PP&E        | 1               | 4               | (3)            |              |
| <b>Operating income</b>                                   | <b>1,225</b>    | <b>1,203</b>    | <b>22</b>      | <b>1.8%</b>  |
| Finance Income  | 246             | 394             | (148)          | -37.6%       |
| Finance Expenses  | (170)           | (231)           | 61             | -26.4%       |
| <b>Net income before income tax expense</b>               | <b>1,301</b>    | <b>1,366</b>    | <b>(65)</b>    | <b>-4.8%</b> |
| Income tax expense  | (453)           | (480)           | 27             | -5.6%        |
| <b>Net Income</b>   | <b>848</b>      | <b>886</b>      | <b>(38)</b>    | <b>-4.3%</b> |
| Attributable to:  |                 |                 |                |              |
| Telecom Argentina (Controlling Company)                   | 839             | 870             | (31)           | -3.6%        |
| Non-controlling interest                                  | 9               | 16              | (7)            | -43.8%       |

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: November 5, 2014

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