

TELECOM ARGENTINA SA
Form 6-K
December 02, 2009
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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 December, 2009

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.

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CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2009

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TELECOM ARGENTINA S.A.

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

Unaudited Consolidated Financial Statements as of September 30, 2009 and December 31, 2008 and for the nine-month periods ended September 30, 2009 and 2008

\$: Argentine peso

US\$: US dollar

\$3.843 = US\$1 as of September 30, 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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(In millions of Argentine pesos - see Note 3.c)

	As of September 30, 2009 (unaudited)	As of December 31, 2008
ASSETS		
Current Assets		
Cash and banks	\$ 66	\$ 36
Investments	2,067	1,089
Accounts receivable, net	1,057	1,009
Other receivables, net	244	209
Inventories, net	262	251
Other assets, net	6	6
Total current assets	3,702	2,600
Non-Current Assets		
Other receivables, net	70	87
Investments	15	7
Fixed assets, net	6,473	6,188
Intangible assets, net	767	772
Other assets, net	3	3
Total non-current assets	7,328	7,057
TOTAL ASSETS	\$ 11,030	\$ 9,657
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,805	\$ 1,769
Debt	1,488	1,355
Salaries and social security payable	243	237
Taxes payable	620	626
Other liabilities	69	46
Contingencies	37	36
Total current liabilities	4,262	4,069
Non-Current Liabilities		
Accounts payable	25	27

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Debt	802	688
Salaries and social security payable	80	83
Taxes payable	207	224
Other liabilities	167	146
Contingencies	384	319
Total non-current liabilities	1,665	1,487
TOTAL LIABILITIES	\$ 5,927	\$ 5,556
Noncontrolling interest	79	81
SHAREHOLDERS EQUITY	\$ 5,024	\$ 4,020
TOTAL LIABILITIES, NONCONTROLLING INTEREST AND SHAREHOLDERS EQUITY	\$ 11,030	\$ 9,657

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

Adrián Calaza

Chief Financial Officer

Enrique Garrido

Chairman of the Board of Directors

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TELECOM ARGENTINA S.A.

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

Unaudited Consolidated Statements of Income

for the nine-month periods ended September 30, 2009 and 2008

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

	For the nine-month periods ended September 30,	
	2009	2008
Net sales	\$ 8,861	\$ 7,789
Cost of services	(4,420)	(4,186)
Gross profit	4,441	3,603
General and administrative expenses	(313)	(262)
Selling expenses	(2,093)	(1,801)
Operating income	2,035	1,540
Gain on equity investees	13	
Financial results, net	(317)	(112)
Other expenses, net	(157)	(141)
Net income before income tax and noncontrolling interest	1,574	1,287
Income tax expense, net	(560)	(446)
Noncontrolling interest	(8)	(10)
Net income	\$ 1,006	\$ 831
Net income per share	\$ 1.02	\$ 0.84

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

Adrián Calaza

Chief Financial Officer

Enrique Garrido

Chairman of the Board of Directors

Table of Contents**TELECOM ARGENTINA S.A.***Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer***Unaudited Consolidated Statements of Changes in Shareholders' Equity****for the nine-month periods ended September 30, 2009 and 2008**

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

	Common stock	Shareholders' contributions Inflation adjustment of common stock	Total	Legal reserve	Unappropriated earnings Foreign currency translation adjustments	Accumulated (deficit)/ earnings	Total	Total Shareholders equity
Balances as of January 1, 2008	\$ 984	2,688	3,672		66	(708)	(642)	\$ 3,030
Foreign currency translation adjustments					39		39	39
Changes in the fair value of cash flow hedges, net of income tax					1		1	1
Net income for the period						831	831	831
Balances as of September 30, 2008	\$ 984	2,688	3,672		106	123	229	\$ 3,901
Balances as of January 1, 2009	\$ 984	2,688	3,672		95	253	348	\$ 4,020
Foreign currency translation adjustments (i)					6		6	6
Changes in the fair value of cash flow hedges, net of income tax					(8)		(8)	(8)
Net income for the period						1,006	1,006	1,006
Balances as of September 30, 2009	\$ 984	2,688	3,672		(ii) 93	1,259	1,352	\$ 5,024

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

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

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

Adrián Calaza

Chief Financial Officer

Enrique Garrido

Chairman of the Board of Directors

Table of Contents**TELECOM ARGENTINA S.A.***Corporation non adhered to the Optional Statutory Regime of Compulsory Public Purchase Offer***Unaudited Consolidated Statements of Cash Flows****for the nine-month periods ended September 30, 2009 and 2008**

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

	For the nine-month periods ended September 30,	
	2009	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income for the period	\$ 1,006	\$ 831
Adjustments to reconcile net income to net cash flows provided by operating activities		
Allowance for doubtful accounts and other allowances	119	73
Depreciation of fixed assets	806	946
Amortization of intangible assets	14	16
Gain on equity investees	(13)	
Consumption of materials	77	85
Gain on sale/disposal of fixed assets and other assets	(5)	(3)
Provision for lawsuits and contingencies	92	65
Holdings loss on inventories	8	30
Interest and other financial losses on loans	445	224
Income tax	12	305
Noncontrolling interest	8	10
Net increase in assets	(270)	(361)
Net decrease in liabilities	24	123
Total cash flows provided by operating activities	2,323	2,344
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed asset acquisitions	(1,108)	(1,154)
Intangible asset acquisitions	(11)	(10)
Equity investees acquisitions		(97)
Proceeds for the sale of fixed assets and other assets	13	11
Decrease in investments not considered as cash and cash equivalents	246	432
Total cash flows used in investing activities	(860)	(818)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Debt proceeds	350	102
Payment of debt	(483)	