These presentations contain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company and the Group.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors.

Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. Telecom Italia S.p.A. undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telecom Italia S.p.A. business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events. Analysts and investors 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 on file with the United States Securities and Exchange Commission.

Furthermore, the data and information contained in this presentation only refer to Telecom Argentina group and do not include data from its controlling companies Sofora Telecomunicaciones and Nortel Inversora; such companies are part of the business unit Argentina that is consolidated in the Telecom Italia Group.
Telecom Italia Conference Call
2010 Results & Plan Update

Agenda

- Telecom Argentina Group 2010 Results (IFRS)
- Telecom Argentina Plan
**2010 Main Results**

**Reported Revenues**

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q</td>
<td>2,337</td>
<td>2,820</td>
</tr>
<tr>
<td>9M</td>
<td>1,697</td>
<td>2,022</td>
</tr>
</tbody>
</table>

+21%, +25%, +19%

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q</td>
<td>800</td>
<td>926</td>
</tr>
<tr>
<td>9M</td>
<td>589</td>
<td>680</td>
</tr>
</tbody>
</table>

+16%, +17%, +15%

**Key Highlights**

- Increasing revenues and customer base in all businesses
- 4Q10 revenues growth acceleration
- VAS+Data+BB accounting for 35% of revenues and growing at a 2x the rate
- 2010 mobile market leadership with est. 46% of net adds
- Bundled BB fixed and mobile offer
- Strong financial position

**Net Financial Position Evolution (+Cash/-Debt)**

<table>
<thead>
<tr>
<th></th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-831</td>
<td>-430</td>
<td>-185</td>
<td>86</td>
<td>231</td>
</tr>
</tbody>
</table>
**Mobile Business**

### Mobile Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min. %</td>
<td>10.7</td>
<td>12.6</td>
<td>14.5</td>
<td>14.9</td>
<td>15.3</td>
<td>16.0</td>
<td>16.3</td>
</tr>
<tr>
<td>Market Share(2)</td>
<td>28.3%</td>
<td>29.4%</td>
<td>30.6%</td>
<td>30.8%</td>
<td>30.9%</td>
<td>31.6%</td>
<td>31.8%</td>
</tr>
</tbody>
</table>

### KPI's

- 46% of estimated 2010 market net adds ; 1.2% market share increase YoY
- Over 50% market share of smartphones sales
- 9% ARPU growth YoY
- 3G devices approaching 10% of base
- VAS reaching 40% of service revenues (46% increase YoY)
- High 30/70 postpaid-prepaid mix

### Service Revenues & VAS

#### Figures

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOU</td>
<td>85</td>
<td>91</td>
<td>103</td>
<td>125</td>
</tr>
<tr>
<td>SMS</td>
<td></td>
<td></td>
<td>125</td>
<td>101</td>
</tr>
<tr>
<td>ARPU (pesos)</td>
<td></td>
<td></td>
<td>222</td>
<td>102</td>
</tr>
<tr>
<td>VAS revenues</td>
<td>4.8</td>
<td>5.8</td>
<td>6.8</td>
<td>8.5</td>
</tr>
<tr>
<td>Non-VAS revenues</td>
<td>1.3</td>
<td>1.7</td>
<td>2.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>

### Notes

- Figures are in Argentinean GAAP, with no material difference in terms of growth under IFRS for 2009 and 2010.
- VAS includes: SMS, MMS, SMS revenue sharing, Contents, Mobile internet & others.

---

1. Argentinian Operation only
2. Estimated, data not available for 4Q10
3. Net of Intercompany
Fixed Business

### Fixed & BB Access

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share (%)</th>
<th>Total Lines in market (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>45.6%</td>
<td>3.92</td>
</tr>
<tr>
<td>2008</td>
<td>46.6%</td>
<td>4.01</td>
</tr>
<tr>
<td>2009</td>
<td>46.8%</td>
<td>4.06</td>
</tr>
<tr>
<td>2010</td>
<td>46.8%</td>
<td>4.06</td>
</tr>
<tr>
<td>1Q10</td>
<td>46.9%</td>
<td>4.07</td>
</tr>
<tr>
<td>2Q10</td>
<td>46.9%</td>
<td>4.07</td>
</tr>
<tr>
<td>3Q10</td>
<td>46.9%</td>
<td>4.09</td>
</tr>
<tr>
<td>4Q10e</td>
<td>46.9%</td>
<td>4.11</td>
</tr>
</tbody>
</table>

- Fixed Voice: 0.77, 1.03, 1.21, 1.23, 1.27, 1.33, 1.38
- Fixed BB: 1.8%, 2.0%, 1.8%, 1.4%

### 2010 Highlights

- Lines in services and market share maintain marginal growth
- Regulated revenues participation down 7 p.p. to 44%
- Fixed ARBU up 5% despite frozen tariffs
- BB revenues reached 30% of fixed business passing voice revenues (net of monthly fee)
- BB ARPU up 14%
- BB churn down to 1.4% from 1.8% in FY09
- 30% of BB net adds in voice bundled offers

### BB ARPU & Churn

<table>
<thead>
<tr>
<th>Year</th>
<th>ARPU (in Pesos)</th>
<th>CHURN (monthly)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>56</td>
<td>1.8%</td>
</tr>
<tr>
<td>2008</td>
<td>57</td>
<td>2.0%</td>
</tr>
<tr>
<td>2009</td>
<td>67</td>
<td>1.8%</td>
</tr>
<tr>
<td>2010</td>
<td>76</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

### Fixed Revenues Breakdown

<table>
<thead>
<tr>
<th>Year</th>
<th>BB&amp;Data</th>
<th>Voice</th>
<th>ITX&amp;Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>17%</td>
<td>62%</td>
<td>21%</td>
</tr>
<tr>
<td>2008</td>
<td>20%</td>
<td>54%</td>
<td>26%</td>
</tr>
<tr>
<td>2009</td>
<td>20%</td>
<td>48%</td>
<td>32%</td>
</tr>
<tr>
<td>2010</td>
<td>18%</td>
<td>45%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Figures are in Argentinean GAAP, with no material difference in terms of growth under IFRS for 2009 and 2010.

(1) Estimated, data not available for 4Q10
Agenda

- Telecom Argentina Group 2010 Results (IFRS)
- Telecom Argentina Plan
Latam Market

Argentine's Telecoms Market in a Regional Context

USD GDP per capita (2010)

Service Revenues (Cagr '10-'13)

Mobile Penetration
- Paraguay: 94%
- Peru: 78%
- Colombia: 96%
- Venezuela: 102%
- Mexico: 80%
- Argentina: 129% #2
- Brazil: 102%
- Chile: 112%
- Uruguay: 138%

Fixed BB Penetration
- Paraguay: 10%
- Peru: 15%
- Colombia: 18%
- Venezuela: 18%
- Mexico: 28%
- Argentina: 37% #1
- Brazil: 23%
- Chile: 36%
- Uruguay: 25%

Pay TV Penetration
- Paraguay: 15%
- Peru: 17%
- Colombia: 26%
- Venezuela: 38%
- Mexico: 38%
- Argentina: 65% #1
- Brazil: 17%
- Chile: 46%
- Uruguay: 37%

Source: Pyramid Research. Residential population only
Argentina: TLC Competitive Landscape Snapshot

**Mobile (1)**

- **Personal**
  - 2010 M/S 31.8%

- 2010 Penetration (2)
  - Argentina 129%
  - Latam 97%

**Broadband**

- **Arnet**
  - 2010 M/S 35.3%

- 2010 Penetration (2)
  - Argentina 37%
  - Latam 23%

**Fixed**

- **TELECOM**
  - 2010 M/S 46.9%

- 2010 Penetration (2)
  - Argentina 67%
  - Latam 55%

**TLC Access (mln lines)**

- 2007: 37.8
- 2008: 42.8
- 2009: 47.4
- 2010: 51.4

**Broadband**

- 2007: 2.3
- 2008: 3.0
- 2009: 3.4
- 2010: 3.9

**Fixed**

- 2007: 8.6
- 2008: 8.6
- 2009: 8.7
- 2010: 8.7

---

(1) Does not include trunking subscribers

(2) Source: Pyramid Research. Fixed line penetration residential only

The Market Share for 4Q is a Company estimate

Source: Telecom Argentina

---

FRANCO BERTONE
## Regulatory Environment

### Current Regulatory Framework

**Fixed Business**
- Fixed voice tariffs frozen since Jan 2002
- BB unregulated prices
- Universal Service implemented as incumbent: no cash contribution required
- Triple play currently not allowed to Telcos

**Mobile Business**
- Number Portability by YE 2011
- Unregulated prices
- 50 MHz frequency cap
- Limited MVNO participation
- Universal Service partly contributed with shared mobile access infrastructure

### Expectations over the next three years

**Fixed Business**
- Number Portability
- Video incorporated into VAS licences
- Growing interest of federal and local Government in the telecommunications infrastructure

**Mobile Business**
- 850–1.900MHz spectrum auction with current frequency cap
- AWS (Advanced Wireless Service) 1.700 - 2.100Mhz spectrum auction with separate frequency cap
- Shift from CPP F2M to mobile termination rates
Mobile Business: Main Goals and Action Plan

**Goals**
- Consolidate VAS leadership through strong growth in data revenues
- Increase customer base smartphones & tablet penetration
- Further development of youth segment and social networking

**Action Plan**
- Upgrade 3G network, capacity, quality and coverage
- Handset upgrade plan with 3G devices
- Bundled data + social network plans
- Mobile internet massification through convenient prepaid packaging offers
- Loyalty targeted customer care programs ahead of mobile number portability

**Outlook (1)**
- **Mobile Lines (Millions)**
  - 2010: 16.3
  - 2011: 17.6
  - 2013: 
  - CAGR '10-'13: +5%
- **ARPU (ARS per month)**
  - 2010: 44
  - 2011: 50
  - 2013: 
  - CAGR '10-'13: +12%

**Business Model**
- 2009-10
- 2011-13
- <2009
- +Capture
- + Customer Development

(1) Argentinean Operation only
Fixed Business: Main Goals and Action Plan

**Goals**

- Increase BB penetration of existing customer base
- Develop ICT market
- Introduce video services

**Action Plan**

- Upgrade local loop capacity to increase bandwidth
- Introduce VoD, content delivery and Connected Home applications
- Migrate from per minute charging to flat pricing
- Develop supplementary service offers on top of basic telephony

**Outlook**

<table>
<thead>
<tr>
<th>Fixed BB Lines (Millions)</th>
<th>2010</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.4</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Cagr ‘10-’13</td>
<td></td>
<td></td>
<td>+7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARPU (ARS per month)</th>
<th>2010</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Cagr ‘10-’13</td>
<td></td>
<td></td>
<td>+14%</td>
</tr>
</tbody>
</table>

**Internet & Data over Fixed Revenues**

- 37%
- 42%
- 2013
Revenues & Ebitda Outlook

Revenues per Product & per Business

Consolidated

2010

ARS, Bln
VAS+data+
ADSL as % of Revenues

35%

2011

38%

> +21%

> +32%

> > 17.7

> +24%

> +12%

Focus on efficiency:
- Leaner cost structure through unified operation
- Lower incidence of ITX costs
- Growth in labor related costs

EBITDA

ARS, Bln

2010

2011

4.8

> 5.5

Cost Structure

ITX Costs
Marketing and sales
Taxes
Labor Costs
Others

2010

14%

13%

25%

28%

2010 Results & Plan Update
CAPEX Plan

**Key Drivers**

- Expand backhaul IP deployment to improve mobile broadband footprint and user experience
- Improve mobile coverage to reduce domestic roaming cost
- Expand, secure and integrate backbone networks and IT platforms.
- Upgrade fixed access network to increase bandwidth
- Deploy content delivery capabilities
- Update IT solutions to improve customer care, provisioning and business operations

**Capex (ARS, in billions)**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial*</td>
<td>2.0</td>
<td>~3.2</td>
</tr>
<tr>
<td>Industrial</td>
<td>0.6</td>
<td></td>
</tr>
</tbody>
</table>

Capex as % of Revenues

- 2010: 17%
- 2011: 18%

*Include SAC Mobile & Internet
Telecom Italia Conference Call
2010 Results & Plan Update

Telecom Argentina – Main Takeaways

Market Growth
- Mobile business
- Fixed BB
- Mobile BB
- ICT and Data
- OTT and Video

Competitive Edge
- Focus on innovation and customer care
- State-of-the-art infrastructure
- Top-brand recognition
- Fully integrated operation

Convergence
- CAPEX & OPEX efficiency gains from integrated operations
- Convergent view on product development

Business Model
- Proven track record of sustainable growth in revenues, margins and market share
- Strong cash flow generation
- Reduced FX exposure

Ebitda-Capex Evolution

ARS, Bln

Ebitda:
- 2009: 4.2
- 2010: 4.8
- 2011: >5.5

Capex:
- 2009: 2.2
- 2010: 2.6
- 2011: ~3.2

Cum’11-13
- OFCF: >7 Bln ARS
Back Up
Telecom Argentina Footprint

Telecom Argentina Presence

- Fixed: 4.1 mln lines
- BB: 1.4 mln lines
- Mobile: 11 mln lines
- Strong presence in this region
- Higher penetration of BB in LIS
- Higher penetration of mobile

- High density region
- Most wealthiest region
- Business segment is mostly in AMBA
- Strong competitive region

- Fixed: 0.1 mln lines
- BB: 0.1 mln lines
- Mobile: 6 mln lines
- Increasing coverage
- Expanding network
- Increasing presence in the region
### Telecom Argentina – Shareholders Structure

#### Shareholders Structure – ex ante

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Ownership</th>
<th>Economic Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom Italia International</td>
<td>58.0%</td>
<td>25.5%</td>
</tr>
<tr>
<td>Telecom Italia Spa</td>
<td>32.5%</td>
<td></td>
</tr>
<tr>
<td>Werthein de Argentina Inversiones S.A.</td>
<td>42.0%</td>
<td></td>
</tr>
<tr>
<td>Sofora Telecomunicaciones S.A.</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Nortel Inversora</td>
<td></td>
<td>67.79% (1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>51.04% (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>32.21% (1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>48.96% (2)</td>
</tr>
<tr>
<td>Telecom Argentina</td>
<td>54.74%</td>
<td>~41%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~4%</td>
</tr>
<tr>
<td></td>
<td>99.99%</td>
<td></td>
</tr>
<tr>
<td>Telecom Personal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>67.50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nucleo (Paraguay)</td>
<td></td>
</tr>
</tbody>
</table>

**TI Economic Interest in TA: ~16.2%**

#### Shareholders Structure – ex post

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Ownership</th>
<th>Economic Interest</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tr>
<tr>
<td>Telecom Personal</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Nucleo (Paraguay)</td>
<td></td>
</tr>
</tbody>
</table>

**TI Economic Interest in TA: ~18.3%**

---

(1) % of capital ownership; (2) % economic interest;