Telecom Italia Conference Call

2010 Results & Plan Update

February 25th, 2011

Telecom Argentina
Plan 2011-13

FRANCO BERTONE

Safe Harbour

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.

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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.

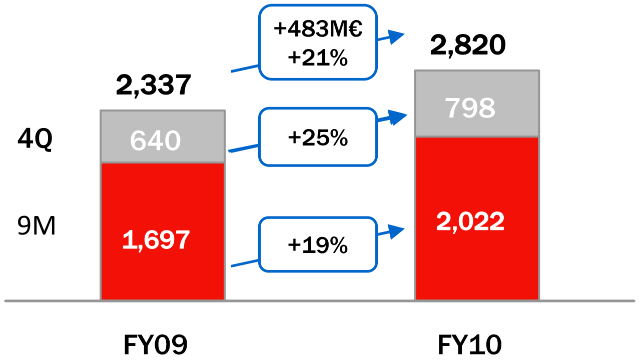
Agenda

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

2010 Main Results

Euros, in million

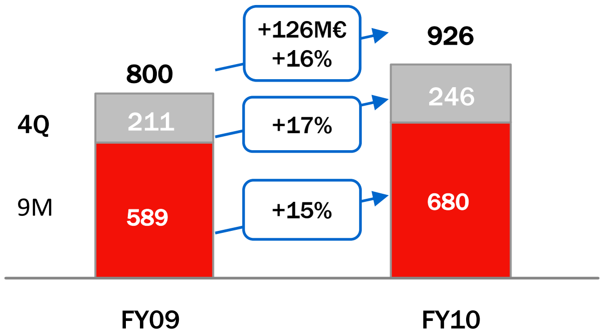
Reported Revenues



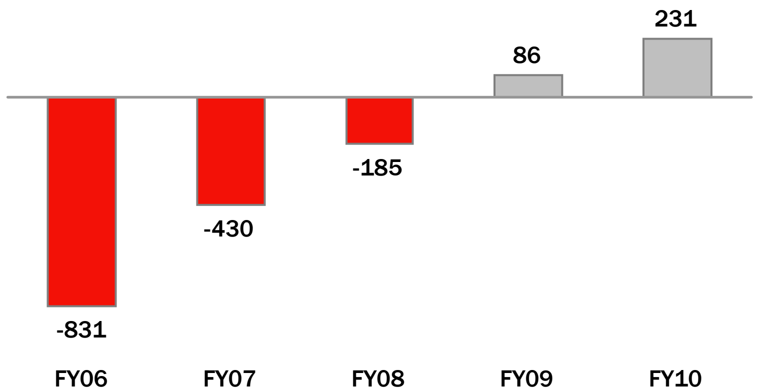
Key Highlights

- 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

EBITDA

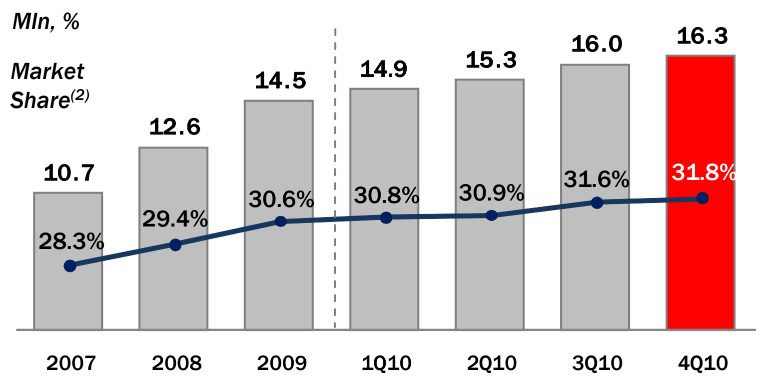


Net Financial Position Evolution (+Cash/-Debt)



Mobile Business

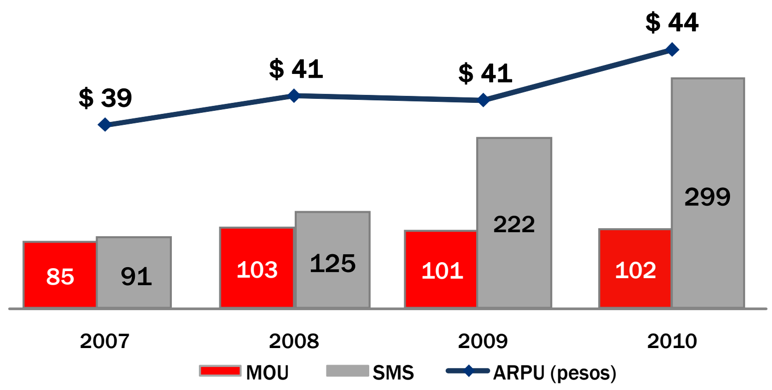
Mobile Customers(1)



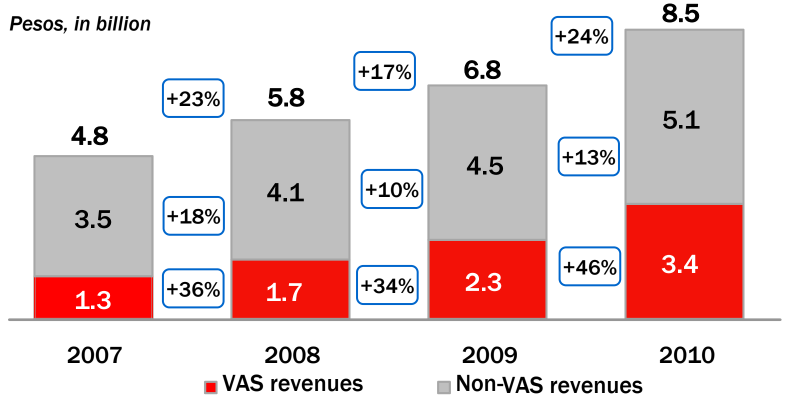
2010 Highlights

- 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

KPI's



Service Revenues & VAS(1)(3)

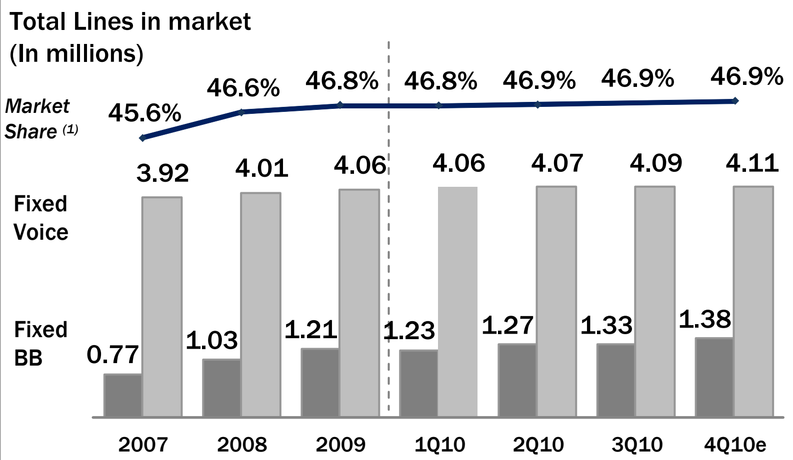


VAS includes: SMS, MMS, SMS revenue sharing, Contents, Mobile internet & others
Figures are in Argentinean GAAP, with no material difference in terms of growth under IFRS for 2009 and 2010.

(1) Argentinean Operation only
(2) Estimated, data not available for 4Q10
(3) Net of Intercompany

Fixed Business

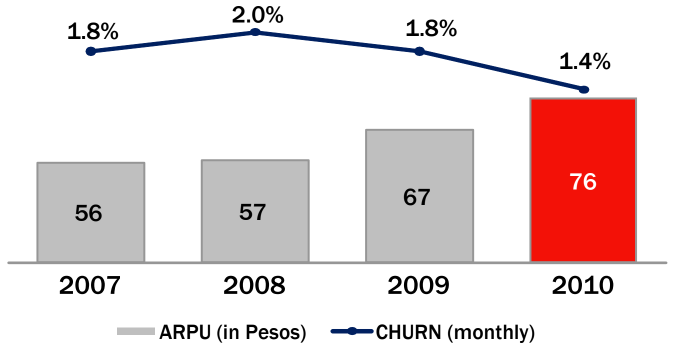
Fixed & BB Access



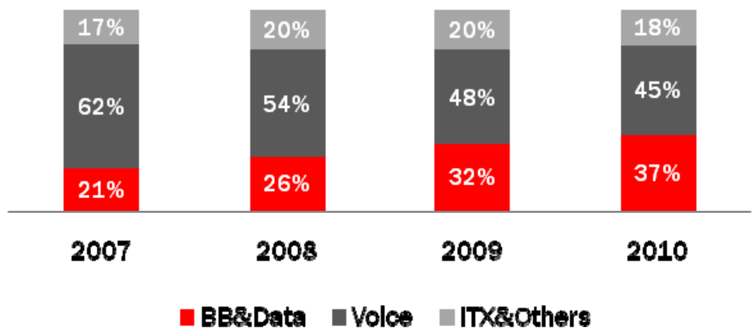
2010 Highlights

- 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



Fixed Revenues Breakdown



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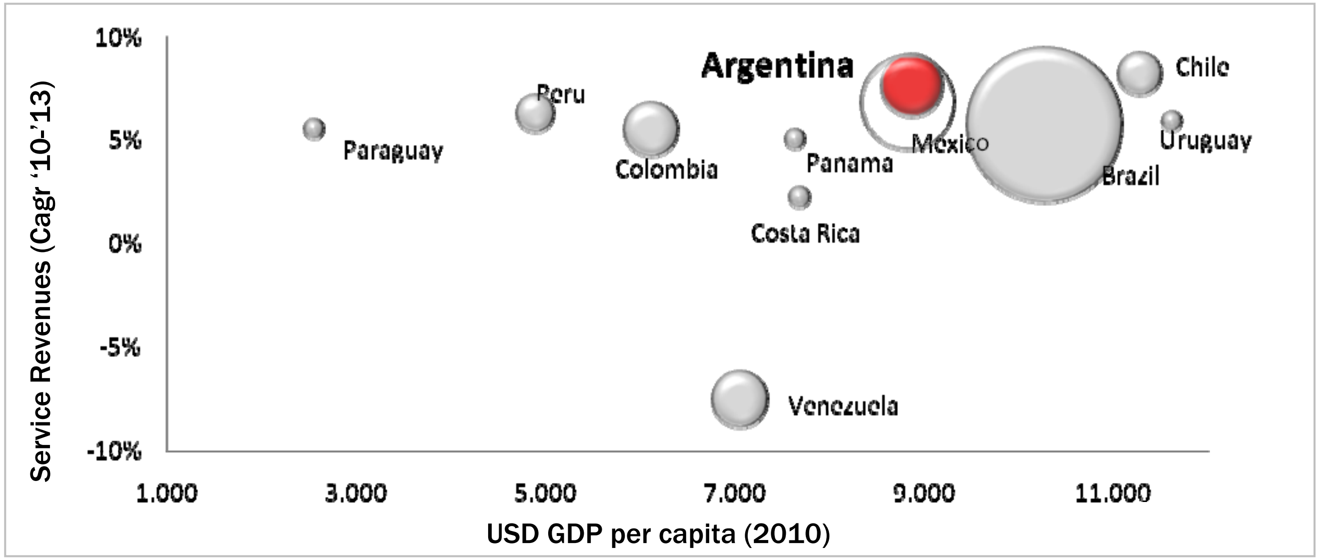
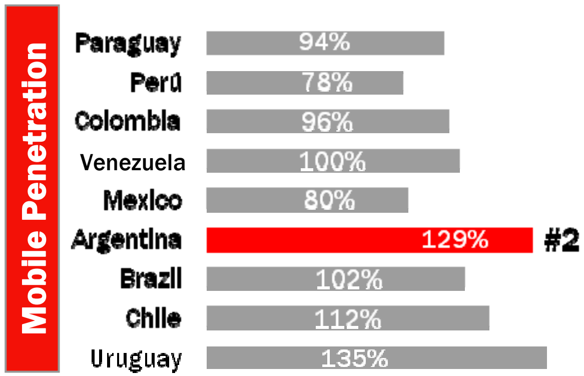
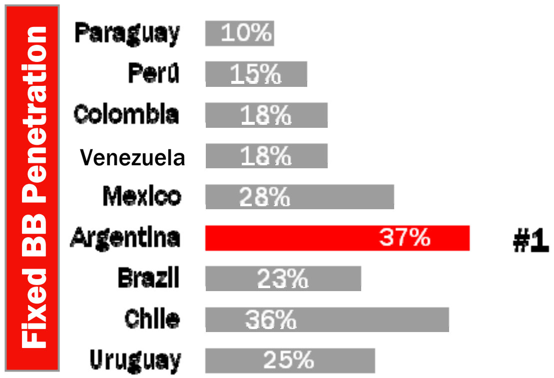
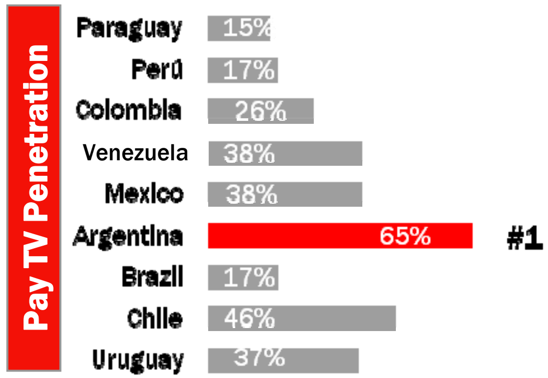
Latam Market

Argentina's Telecoms Market in a Regional Context









Source: Pyramid Research. Residential population only

Argentina: TLC Competitive Landscape Snapshot

TLC Operators

Mobile (1)

Personal — 2010 M/S **31.8%**

Claro, Movistar

2010 Penetration(2)

Argentina 129%
Latam 97%

Broadband

Arnet — 2010 M/S **35.3%**

Speedy, FiberTel

2010 Penetration(2)

Argentina 37%
Latam 23%

Fixed

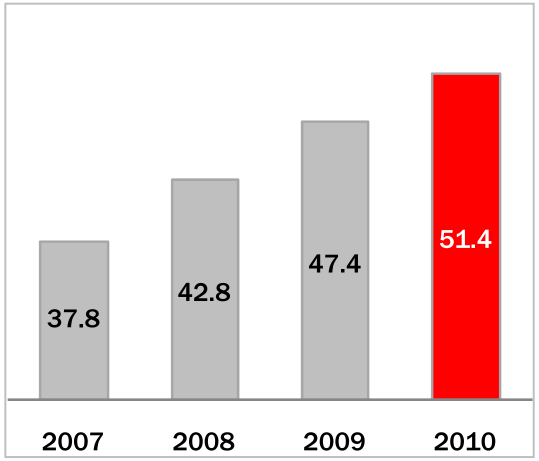
TELECOM — 2010 M/S **46.9%**

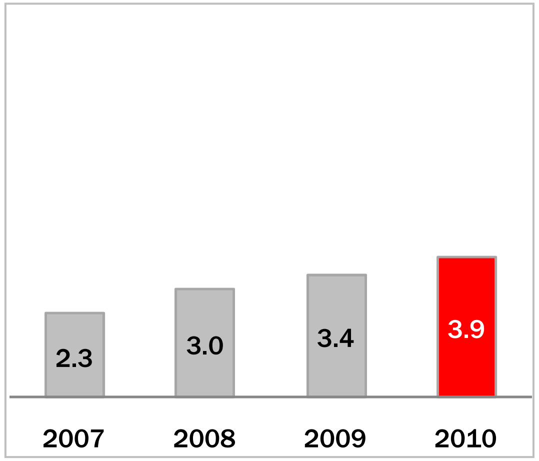
Telefónica

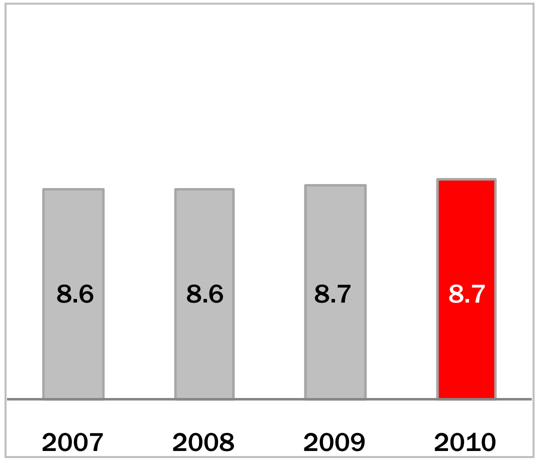
2010 Penetration(2)

Argentina 67%
Latam 55%

TLC Access (mln lines)







(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

Regulatory Environment

Fixed Business

Current Regulatory Framework

- 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

Expectations over the next three years

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

Mobile Business

Current Regulatory Framework

- 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

- 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

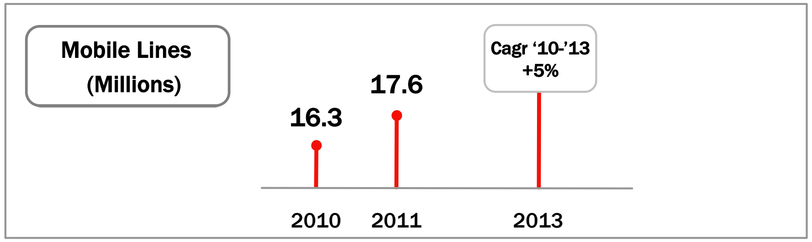
Goals

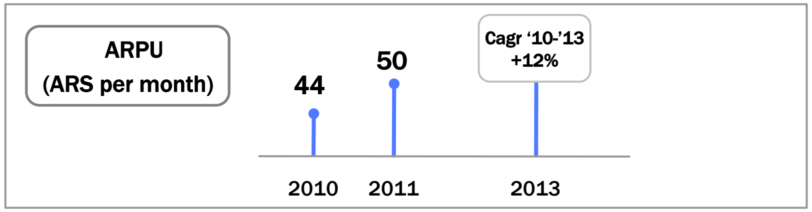
Consolidate VAS leadership through strong growth in data revenues

Increase customer base smartphones & tablet penetration

Further development of youth segment and social networking

Outlook [1]

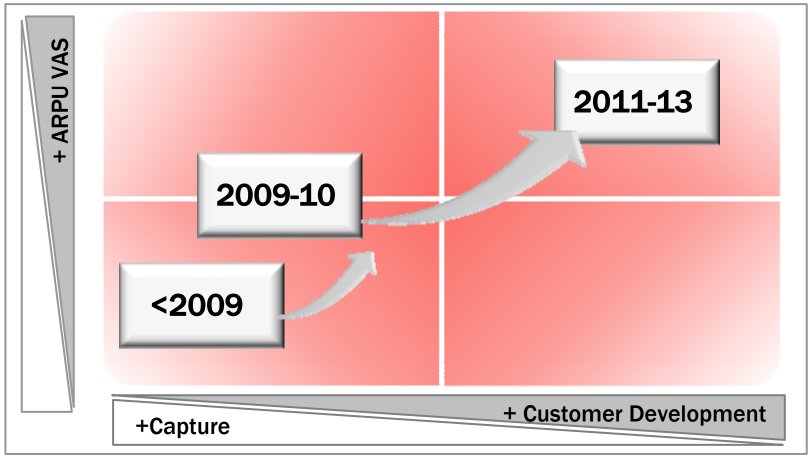




Action Plan

- 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

Business Model



(1) Argentinean Operation only

Fixed Business: Main Goals and Action Plan

Goals

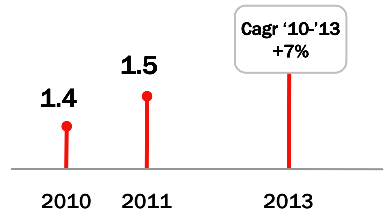
- Increase BB penetration of existing customer base
- Develop ICT market
- Introduce video services

Action Plan

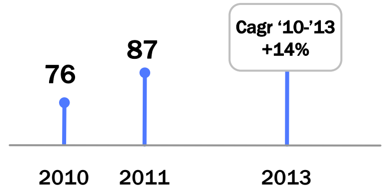
- Upgrade local loop capacity to increase bandwidth
- Introduce VoD, content delivery and Connected Home applications
- Migrate from per minute charging to flat pricing
- Develop supplementary service offers on top of basic telephony

Outlook (1)

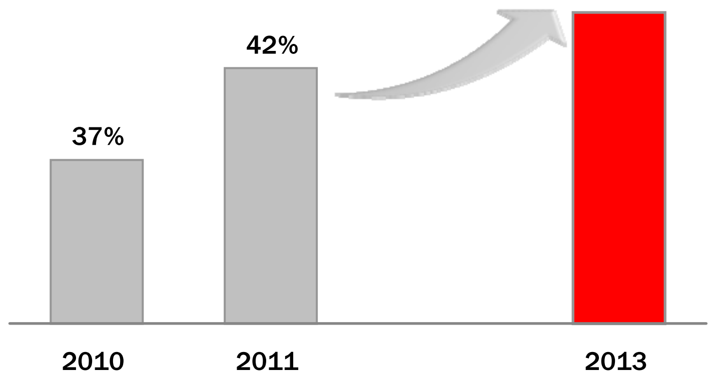
Fixed BB Lines (Millions)



ARPU (ARS per month)



Internet & Data over Fixed Revenues(1)

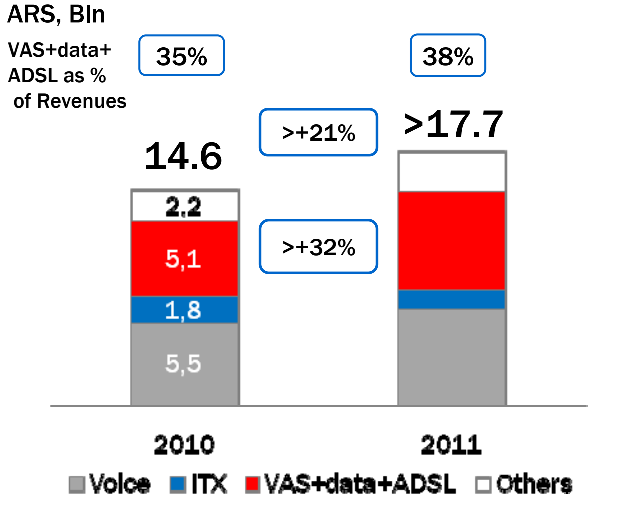


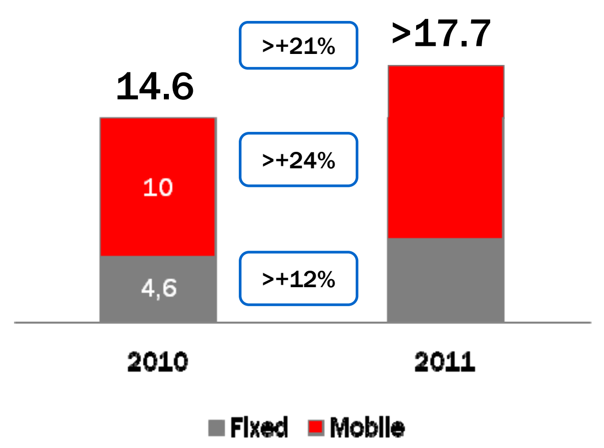
(1) Net of Intercompany

Revenues & Ebitda Outlook

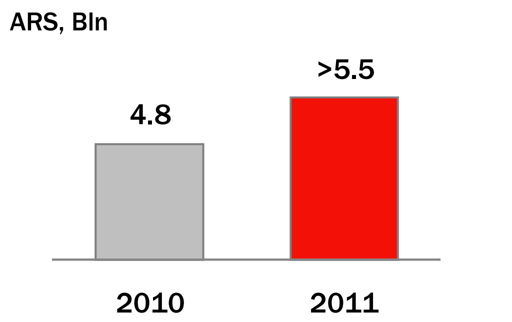
Consolidated

Revenues per Product & per Business

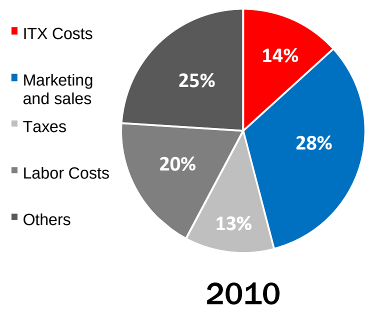




EBITDA



Cost Structure

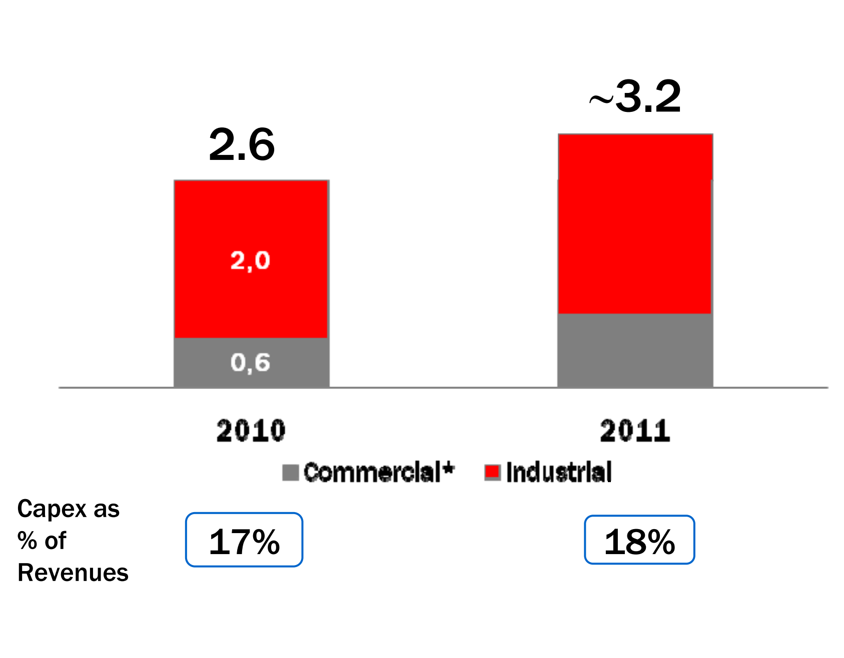


Focus on efficiency:

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

CAPEX Plan

Capex (ARS, in billions)



Key Drivers

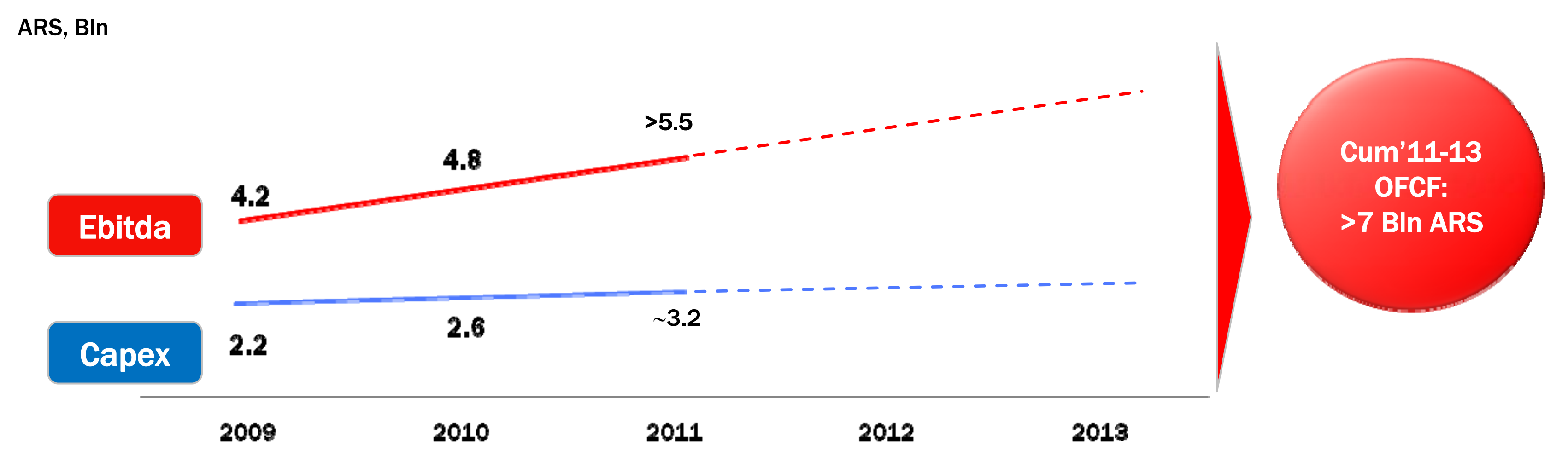
- Expand backhaul IP deployment to improve mobile broadband footprint and user experience
- Improve mobile coverage to reduce domestic roaming cost
- Expand, secure and integrate backbone networks and IT platforms.
- Upgrade fixed access network to increase bandwith
- Deploy content delivery capabilities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

*Include SAC Mobile & Internet

Telecom Argentina – Main Takeaways

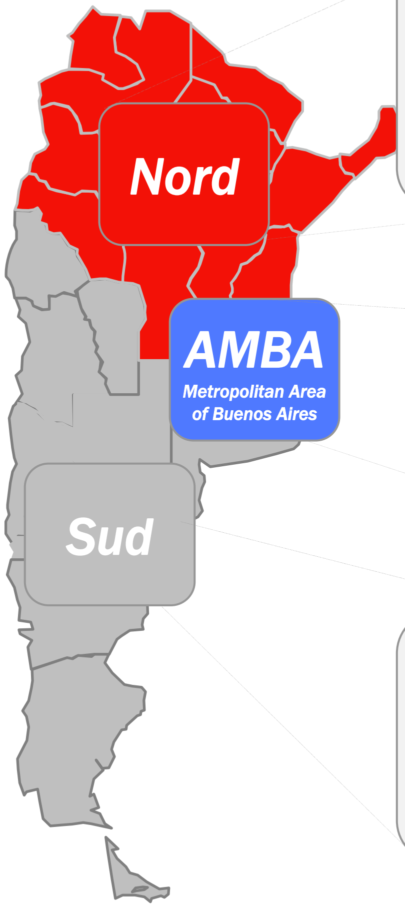
Market Growth	Competitive Edge	Convergence	Business Model
Mobile business Fixed BB Mobile BB ICT and Data OTT and Video	Focus on innovation and customer care State -of -the -art infrastructure Top-brand recognition Fully integrated operation	CAPEX & OPEX efficiency gains from integrated operations Convergent view on product development	Proven track record of sustainable growth in revenues, margins and market share Strong cash flow generation Reduced FX exposure

Ebitda-Capex Evolution



Back Up

Telecom Argentina Footprint



Telecom Argentina Presence

Nord

Population: 18 mln
GDP per capita: 6k $
Cities with >20k inh.: 96

- 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

AMBA

Population: 9 mln
GDP per capita: 13k $

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

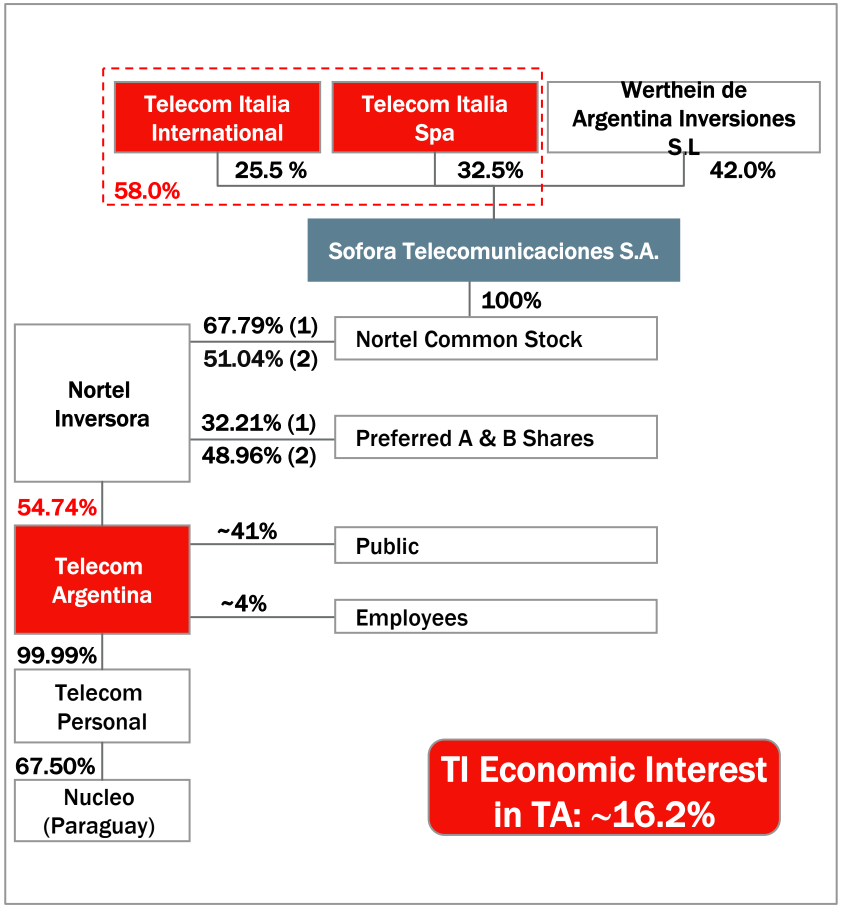
Sud

Population: 14 mln
GDP per capita: 9k $
Cities with >20k inh.: 69

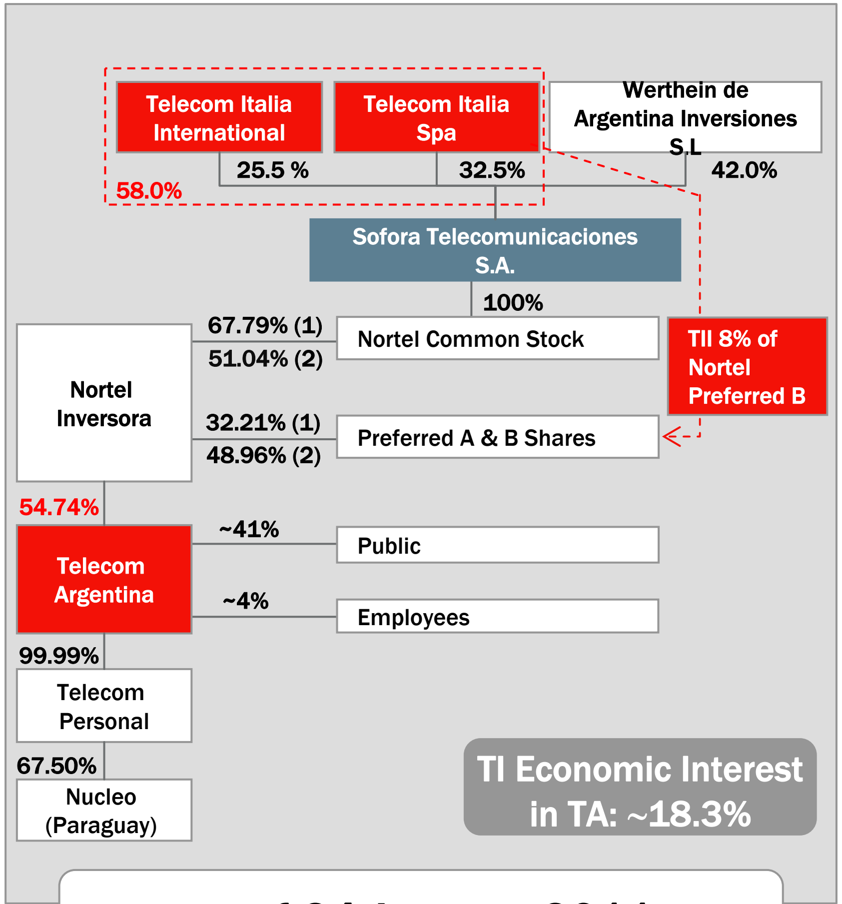
- Fixed: 0.1 mln lines
- BB: 0.1 mln lines
- Mobile: 6 mln lines
- Increasing coverage
- Expanding network
- Increasing presence in the region

Telecom Argentina – Shareholders Structure

Shareholders Structure – ex ante



Shareholders Structure – ex post



as of 24 January 2011

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