

TELECOM ARGENTINA SA
Form 6-K
October 08, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of October, 2004

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)

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

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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

Telecom Argentina S.A.

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Item

1. Press Release, dated October 6, 2004, entitled, Telecom Personal Updates Participation in its APE Solicitation .

FOR IMMEDIATE RELEASE

October 6, 2004

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TELECOM PERSONAL UPDATES PARTICIPATION IN ITS APE SOLICITATION

Buenos Aires, October 6, 2004. Telecom Personal S.A. (**Telecom Personal),** the wireless mobile communications subsidiary of Telecom Argentina S.A. (**Telecom**), announced today that it has achieved **100%** participation in its *Acuerdo Preventivo Extrajudicial* (**APE**) solicitation process, and intends to pursue an out-of-court restructuring without seeking court approval of the **APE**.

Under the terms of the **APE**, **Telecom Personal** reserved the right to pursue an out-of-court restructuring without seeking court approval of the **APE** in the event that it obtained support from at least 95% of its outstanding debt.

After applying the principal face amount adjustment factor of 1.063 to the principal amount of the debt participating in the **APE**, approximately **US\$45.8 million**, including intercompany loans, selected **Option A**, approximately **US\$537.4 million** selected **Option B** and approximately **US\$14.1 million** selected **Option C**. The U.S. dollar equivalent amounts were determined based on the foreign exchange rates on the **FX Reference Date** of **August 18, 2004** and the relevant CER adjustment, as defined in the **Telecom Personal APE** Solicitation Statement.

In accordance with the terms of the debt restructuring, **27.5%** of the debt selecting **Option B**, or approximately **US\$147.8 million**, will be allocated from **Option B** to **Option C** on a pro rata basis. The purchase price for **Option C** will be **850 per 1,063** of principal amount of outstanding debt and related principal face amount adjustment.

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The following table summarizes the debt that will be allocated to participating holders under each option.

| (US\$ in millions) | Option A | Option B | Option C |
|---|----------|----------|----------|
| Principal amount of loans selecting option | 43.1 | 505.5 | 13.3 |
| Principal face amount adjustment factor | 1.063 | 1.063 | 1.063 |
| Principal amount of loans plus principal face amount adjustment selecting option | 45.8 | 537.4 | 14.1 |
| Factor to allocate loans from Option B to Option C | | 27.5% | |
| Allocation of loans from Option B to Option C | | (147.8) | 147.8 |
| Principal amount of loans plus principal face amount adjustment allocated to participating holders under option | 45.8 | 389.6 | 161.9 |
| Cash to purchase loans in Option C | | | 129.4 |
| Principal face amount of new loans to be issued to participating holders | 45.8 | 366.5 | |

The debt amounts discussed above are for **Telecom Personal** on an unconsolidated basis and do not include the debt of Nucleo S.A., **Telecom Personal**'s 67.5% owned Paraguayan mobile communications subsidiary.

Telecom Personal expects to sign the **APE** agreement with its creditors and complete its debt restructuring through an out-of-court **APE** before the end of 2004.

For additional information please contact:

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Telecom Personal, a subsidiary of **Telecom Argentina**, is a company incorporated under the laws of Argentina with its registered office at Alicia Moreau de Justo 50, C1107AAB, Buenos Aires, Argentina. **Telecom Personal** is Argentina's leading cellular operator. It also owns a subsidiary that operates a mobile license in Paraguay.

Disclaimer: This document may contain statements that could constitute forward-looking statements. 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 involve risks and uncertainties that could significantly affect **Telecom Personal**'s expected results. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this document. **Telecom Personal** 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 **Telecom Personal**'s business or to reflect the occurrence of unanticipated events.

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: October 8, 2004

By: /s/ Alberto Yamandú Messano

Name: Alberto Yamandú Messano
Title: Director