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 November, 2006

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 x 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 x

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 x

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 x

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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FOR IMMEDIATE RELEASE

Market Cap: P$9.6 billion
(November 9, 2006)

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TELECOM ARGENTINA S.A. ANNOUNCES CONSOLIDATED NINE-MONTH

PERIOD (9M06) AND THIRD QUARTER RESULTS

FOR FISCAL YEAR 2006 (3Q06)*

During 9M06 Telecom s operations continued its positive evolution. Cellular and broadband subscribers grew 46% and 99%, respectively when compared to September 2005, while fixed lines in service grew 4% over the same period.

Net Revenues reached P$5,262 million (+30% vs. 9M05) mainly fueled by the expansion of the cellular business, which increased by 56% and data & Internet revenues, which increased by 20%.

Operating Profit before Depreciation and Amortization (OPBDA) increased by P$250 million (+17% vs. 9M05) reaching P$1,731 million. Operating Profit reached P$676 million (+95% vs. 9M05).

Net Income reached P$164 million for 9M06 and P$65 million for 3Q06, as a result of the general improvement of the business, partially offset by financial expenses (interest and holding results). Net Income for 9M05 was P$1,623 million, including a P$1,424 million non-recurrent gain generated as a result of the closing of the debt restructuring process. Shareholders Equity as of September 30, 2006, amounted to P$2,043 million.

Net financial Debt declined to P$ 3,777 million (-P$795 million vs. 9M05), primarily as a result of the cash flow generated by operations. The ratio of Net Financial Debt to OPBDA decreased from 2.3x as of September 30, 2005, to 1.6x.

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* Non-financial data unaudited

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	As of September-30 2006	2005	Δ	Δ%
Consolidated Net Revenues (in MM P$)	5,262	4,057	1,205	30%
Fixed Telephony (includes directories edition)	1,858	1,797	61	3%
Cellular	2,993	1,918	1,075	56%
Data & Internet	411	342	69	20%
Operating Profit before D&A (in MM P$)	1,731	1,481	250	17%
Operating Profit (in MM P$)	676	347	329	95%
Net Income (in MM P$)	164	1,623	(1,459)	-90%
Shareholder s equity (in MM P$)	2,043	2,154	(111)	-5%
Net Financial Debt - Before NPV effect (in MM P$)	3,777	4,572	(795)	-17%
Net Financial Debt - Book value (in MM P$)	3,579	4,209	(630)	-15%
CAPEX (in MM P$)	755	408	347	85%
Lines in service (Fixed lines -in thousands)	4,056	3,906	150	4%
Cellular customers (in thousands)	8,624	5,899	2,725	46%
Personal (Argentina)	7,675	5,308	2,367	45%
Núcleo (Paraguay)	949	591	358	61%
ADSL customers (in thousands)	375	188	187	99%
Fixed line traffic (in MM minutes, Internet Traffic not included)	12,517	12,527	(10)	0%
Incoming/Outgoing cellular voice traffic in Arg. (in MM minutes)	5,380	3,928	1,452	37%
Average Revenue per user (ARPU) Fixed Telephony/voice (in P$)	39	39	(1)	-2%
Average Revenue per user (ARPU) Cellular Telephony Arg. (in P$)	39	35	4	11%

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Buenos Aires, November 9, 2006 Telecom Argentina (BASE: TECO2, NYSE: TEO), one of Argentina s leading telecommunications groups, announced today **Net Income** of **P$164 million** for the nine-month period ended September 30, 2006 (**9M06**).

	9M 06	9M 05	Δ	Δ%
N et Revenues (MMP$)	5,262	4,057	1,205	30%
N et Income/Loss (MMP$)	164	1,623	(1,459)	(90%)
Earnings/Loss per Share ($)	0.2	1.6	(1.5)	(90%)
Earnings/Loss per ADR ($)	0.8	8.2	(7.4)	(90%)
OPBDA *	33%	37%		
Operating Profit/Loss *	13%	9%		
N et Income/Loss *	3%	40%		

* As a percentage of Net Revenues

During **9M06, Consolidated Net Revenues** increased **30%** to **P$5,262 million** (**+P$1,205 million vs. 9M05**), fueled by the expansion of the cellular and broadband businesses, together with moderate growth in the fixed telephony business.

Moreover, **OPBDA** increased by **17%** to **P$1,731 million** (**+P$250 million**), equal to 33% of Consolidated Net Revenues.

Net Income reached **P$164 million** during **9M05** and **P$65 million** in **3Q06**. Year-to-year comparison is affected by the **P$1,424 million** non-recurrent gain generated in 2005 as a result of the closing of the debt restructuring process.

Company Activities

Consolidated Net Revenues

The growth in **Consolidated Net Revenues** (**+30%** vs. **9M05**) is as follows:

Fixed Telephony (Voice, Data Transmission & Internet)

Fueled mainly by the increase in broadband penetration and an increase in the number of lines in service, revenues generated by the Fixed Telephony Business (including voice, data transmission and Internet services) amounted to **P$2,249 million**, a **6%** increase over **9M05**.

Voice

Following an increase of **4%** in the number of lines in service, **Monthly Charges** increased by **P$32 million** or **6%** in **9M06** as compared to **9M05**, reaching **P$533 million.** This growth occurred even though no increase has been applied to regulated tariffs.

Local Measured Service and **Domestic Long Distance** revenues marginally decreased when compared to **9M05** to

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P$379 million (-2%) and **P$336 million (+1%)** respectively, while overall traffic volume, measured in minutes, remained basically stable.

In addition, revenues generated by **International Telephony** reached **P$173 million** (**P$6 million** or 4% higher than **9M05**) due to an increase in traffic partially offset by marginally lower prices.

Interconnection revenues increased by **P$44 million** (+**24%**), reaching **P$225 million**, driven by mobile traffic transported by and/or terminated in Telecom s fixed line network.

Internet and Data Transmission

Revenues generated by **Data transmission and Internet** amounted to **P$411 million**, an increase of **P$69 million**, or **20%** vs. **9M05.** The strong growth in broadband connections has been the most dynamic component of this item.

As of the end of **9M06,** Telecom s ADSL subscribers numbered **375,000** (**+187,000** or **+99%** vs. **9M05**). Lines with ADSL connections accounted for more than **9%** of Telecom s lines in service. Regarding ISP services, Arnet subscribers totaled **400,000** (**+54%** or **+141,000** subscribers vs. **9M05**), as a consequence of the increase of **175,000** broadband subscribers **(+136%** vs. **9M05)** and the decrease of **34,000** dial-up subscribers (**-26%** vs. **9M05**).

This expansion is a consequence of Telecom s strategy of launching quality products at accessible prices. Also contributing is the new portfolio of data transmission services that permits small and mid-size businesses to access services that previously were only available for large companies.

Directories

Publicom sales amounted to **P$20 million** in **9M06** (**+P$3 million** or **18%** vs. **9M05)**, due to the positive evolution of the sales campaigns for advertising space in directories.

Cellular Telephony

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As of September 30, 2006, the total subscriber base of **Personal in Argentina** totaled approximately **7.7 million**; **2.4 million** customers more than those registered as of **September 30, 2005** (**+45%**). It is important to highlight that the postpaid customer base increased by **54%,** while the prepaid customer base increased by **40%** vs. **9M05**.

As of **September 30, 2006,** approximately **65%** of the overall subscriber base was prepaid and **35%** was postpaid. Subscribers with GSM technology represented **85%** of the overall subscriber base.

Total traffic measured in minutes increased by **37%** vs. **9M05**. Furthermore, **SMS traffic** (outgoing messages) increased from an average of **207 million** per month during **9M05** to an average of **508 million** per month during **9M06** (**+145%**). Moreover, value-added services continued to gain participation in the overall **average monthly revenue per user in Argentina (ARPU),.**

In this context, Telecom Personal s revenues in Argentina reached **P$2,748 million**, increasing **P$985 million** (**+56%**) when compared to the same period last year. This positive evolution is the result of both a larger subscriber base and a higher **ARPU**, the latter increasing to **P$39** or by **+11%** vs. **9M05**. In addition, higher handset sales positively contributed to the overall revenue growth.

In a highly competitive and dynamic market environment, Personal continued to develop a commercial approach focused on growth in economic value, by implementing activities to strengthen its brand positioning, with a strategic focus on service quality, and to strengthen its distribution channels throughout the country.

With regards to its product portfolio, Personal upgraded its Blackberry platform, introduced new content offerings (realtones, ringtones, speechtones) and launched a set of tailor-made plans designed for the younger market (such as Personal Manía). Finally, Personal launched Mobile Banking services.

Núcleo, Personal s controlled subsidiary that operates in Paraguay, generated **revenues** equivalent to **P$245 million** in **9M06** (+**58%** when compared to **9M05**).

Subscriber base as of **September 30, 2006** reached approximately **949.000** (**+61%** vs. **9M05**), with an **ARPU** increase of **7%** over the same period, reaching the equivalent of **US$10.**

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Prepaid and Postpaid customers represented **84%** and **16%,** respectively. **GSM** subscribers represented **67%** of the overall subscriber base.

Consolidated Operating Costs

The **Cost of Services Provided, Administrative Expenses and Selling Expenses** totaled **P$4,586 million** in **9M06**, which represents an increase of **P$876 million** or **24%** over **9M05**.

Salaries and Social Security Contributions increased by **P$107 million**, or **21%**, to **P$611 million**, reflecting wage increases and a headcount increase in line with the general growth of the business.

Taxes amounted to **P$380 million**, representing an increase of **36%**, mainly due to increases in taxes directly calculated as a percentage of the revenues.

Agents and Prepaid Card Commissions increased by **P$110 million**, or **43%** over **9M05**, to **P$365 million. Advertising** costs totaled **P$149 million** (**+54%** vs. **9M05**). It is important to highlight that this increase in costs is related to the efforts implemented by the Telecom Group to acquire new cellular and internet customers, as well as the increase in the volume of cellular pre paid credit.

The cost of cellular handsets increased by **P$264 million** over **9M05** to **P$655 million** in **9M06** mainly due to the increase in handset sales related subscriber growth and TDMA to GSM migration.

TLRD (termination charges in third party cellular networks) and Roaming costs increased by **P$107 million** from **9M05** (**+39%**), reaching **P$379 million** in 9M06, due to the increase in traffic among cellular operators, in line with the significant expansion of the market.

During **9M06**, the **Allowance for Doubtful Accounts** was **P$51 million**, equal to **1%** of net revenues.

Depreciation of Fixed and Intangible Assets decreased by **P$79 million** to **P$1,055 million** (**+P$33 million** in the cellular operation, **-P$111 million** in the Fixed Telephony business and -**P$1 million** in the Directories business).

Consolidated Financial and Holding Results

Financial and Holding Results resulted in a loss of **P$412 million,** as compared to the **P$91 million** profit registered in **9M05**. The difference is mainly due to foreign exchange fluctuations (**-P$753 million**), while net financial interest expense decreased by **P$177 million**.

Interest accrued on financial debt totaled **P$278 million** (**P$180 million** of which corresponds to Telecom Argentina).

Net Financial Debt

As of **September 30, 2006**, **Net Debt** (Loans before the effect of NPV valuation, minus Cash, Banks, Current Investments and Other credits derived from derivative Investments) amounted to **P$3,777 million**, a reduction of **P$759 million** as compared to **December 31, 2005**. In October 2006, Telecom Argentina prepaid an amount equivalent to 75% of the amortization originally scheduled for October 2009, an amount equal to **U$S 104 million.**

On October 9, 2006, **Standard & Poor s** upgraded the long-term debt rating of Telecom Argentina and Telecom Personal to **B+** from **B** in the international scale and to **raA+** from **raBBB+** in the local scale, based on the improvement of the financial situation of the Company after the closing of its debt restructuring process, its strong competitive positioning and its operative efficiency indicators.

Consolidated Capital Expenditures

A total amount of **P$755 million** invested in fixed assets and intangibles during **9M06** was allocated to the cellular business **(P$390 million)** and the Voice data and Internet business **(P$365 million)**.

The Telecom Group continues to implement an important investment plan with the goal of developing a new generation of services based on the transformation of its networks.

This technological evolution will have a significant effect on the services available for each type of client. Residential subscribers will enjoy a broad portfolio of value-added services, permanent connectivity, entertainment and mobility to meet their communications demands. Business clients will have more flexible tools that will help to improve efficiency and productivity.

Some of the new facilities that the Telecom Group will soon offer to its corporate and residential clients are: Fiber Optic closer to the home; super broadband (20 MB) for internet; data, images & sound in a single access; IP telephony; Satellite & Wi Max internet for remote locations; e-government solutions (such as digital signature and remote administrative proceedings) and public security solutions (911).

Conversion of Class C to Class B shares

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In accordance with the approvals received at the Shareholders Meeting in April 2006, and the authorizations given by the Bolsa de Comercio de Buenos Aires and Comisión Nacional de Valores, a new conversion of Class C shares into Class B shares was implemented. As a result of this conversion, the capital stock is composed as follows:

Class A Shares	502,034,299
Class B Shares	440,631,683
Class C Shares	41,714,996
Total	984,380,978

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Telecom is the parent company of a leading telecommunications group in Argentina, where it offers directly 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 common stock. Nortel is a holding company where the common stock (approximately **68%** 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, 2006**, Telecom had **984,380,978** shares outstanding.

(*) Employee Stock Ownership Program

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www.personal.com.ar

www.personal.com.py

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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 involve risks ar 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 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.

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(Financial tables follow)

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Amadeo R. Vázquez

President

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TELECOM ARGENTINA S.A.

Consolidated information

NINE MONTH PERIOD AND THIRD QUARTER - FISCAL YEAR 2006

(In millions of Argentine pesos, except statistical data)

1- Consolidated Balance Sheet

	Sep-30 2006	Dec-31 2005	Δ$	Δ%
Cash, equivalents and investments	887	642	245	38%
Trade receivables	715	705	10	1%
Other current assets	298	195	103	53%
TOTAL CURRENT ASSETS	1,900	1,542	358	23%
Fixed & Intangible assets	6,403	6,723	(320)	-5%
Other non-current assets	376	292	84	29%
TOTAL NON-CURRENT ASSETS	6,779	7,015	(236)	-3%
TOTAL ASSETS	8,679	8,557	122	1%
Accounts payable	1,187	834	353	42%
Loans	1,143	905	238	26%
Reserves	128	110	18	16%
Other current liabilities	359	357	2	1%
TOTAL CURRENT LIABILITIES	2,817	2,206	611	28%
Loans	3,367	3,996	(629)	-16%
Reserves	232	247	(15)	-6%
Other non-current liabilities	158	200	(42)	-21%
TOTAL NON-CURRENT LIABILITIES	3,757	4,443	(686)	-15%
TOTAL LIABILITIES	6,574	6,649	(75)	-1%
Minority Interest	62	41	21	51%
Shareholders equity	2,043	1,867	176	9%
TOTAL LIABILITIES AND EQUITY	8,679	8,557	122	1%

2- Consolidated Loans

Sep-30	Dec-31	Δ$	Δ%

	2006	2005		
Corporate Bonds	820	761	59	8%
Banks and others	174	39	135	346%
Accrued interest	123	59	64	108%
Derivatives	26	46	(20)	-43%
TOTAL CURRENT LOANS	1,143	905	238	26%
Corporate Bonds	3,351	3,856	(505)	-13%
Banks and others	214	386	(172)	-45%
Net Present Value	(198)	(277)	79	-29%
Derivatives valuation effect		31	(31)	-100%
TOTAL NON-CURRENT LOANS	3,367	3,996	(629)	-16%
TOTAL LOANS	4,510	4,901	(391)	-8%
Derivatives valuation effect (Other Credits)	80		80	
Cash, equivalents and investments	556	642	(86)	-13%
Net financial debt (without NPV effect)	4,072	4,536	(464)	-10%

3- Consolidated Income Statement

Nine - Month Comparison

	Sep-30			
	2006	**2005**	**Δ$**	**Δ%**
Net revenues	5,262	4,057	1,205	30%
Cost of services provided	(3,177)	(2,667)	(510)	19%
GROSS PROFIT	2,085	1,390	695	50%
Administrative expenses	(206)	(171)	(35)	20%
Selling expenses	(1,203)	(872)	(331)	38%
OPERATING (LOSS)/PROFIT	676	347	329	95%
Equity income from related companies	6	7	(1)	-14%
Financial and holding results	(412)	91	(503)	-553%
Other expenses, net	(129)	(108)	(21)	19%
Debt Restructuring Results		1,424	(1,424)	-100%
RESULTS FROM ORDINARY OPERATIONS	141	1,761	(1,620)	-92%
Taxes on income	38	(134)	172	-128%
Minority interest	(15)	(4)	(11)	275%
NET (LOSS)/INCOME	164	1,623	(1,459)	-90%
Operating (Loss)/Profit before D&A	1,731	1,481	250	17%
As a % of Net Revenues	33%	37%		

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4- Consolidated Income Statement

Three -Month Comparison

	Sep-30			
	2006	**2005**	**Δ$**	**Δ%**
Net revenues	1,905	1,472	433	29%
Cost of services provided	(1,144)	(962)	(182)	19%
GROSS PROFIT	761	510	251	49%
Administrative expenses	(76)	(52)	(24)	46%
Selling expenses	(428)	(334)	(94)	28%
OPERATING (LOSS)/PROFIT	257	124	133	107%
Equity income from related companies				
Financial and holding results	(116)	(208)	92	-44%
Other expenses, net	(43)	(58)	15	-26%
Debt Restructuring Results		1,439	(1,439)	-100%
RESULTS FROM ORDINARY OPERATIONS	98	1,297	(1,199)	-92%
Taxes on income	(28)	(131)	103	-79%
Minority interest	(5)	(1)	(4)	400%
NET (LOSS)/INCOME	65	1,165	(1,100)	-94%
Operating (Loss)/Profit before D&A	612	509	103	20%
As a % of Net Revenues	32%	35%		

5- Consolidated Revenues Breakdown

Nine - Month Comparison

	Sep-30			
	2006	**2005**	**Δ$**	**Δ%**
Fixed Telephony	1,665	1,613	52	3%
Measured service				
Local	379	386	(7)	-2%
DLD	336	334	2	1%
Monthly charges	533	501	32	6%
Public telephones	100	118	(18)	-15%
Interconnection	225	181	44	24%
Others	92	93	(1)	-1%
International Telephony	173	167	6	4%

Data transmission & Internet	411	342	69	20%
Cellular Telephony	2,993	1,918	1,075	56%
Telecom Personal	2,748	1,763	985	56%
Monthly fee and measured service	633	403	230	57%
Pre-paid card	872	426	446	105%
Calling Party Pays	355	295	60	20%
TLRD *	298	177	121	68%
Handset sales	369	211	158	75%
Others	221	251	(30)	-12%
Núcleo	245	155	90	58%
Monthly fee and measured service	46	34	12	35%
Pre-paid card	120	61	59	97%
Calling Party Pays	29	25	4	16%
TLRD *	30	17	13	76%
Handset sales	5	8	(3)	-38%
Others	15	10	5	50%
Telephone Directories (Publicom)	20	17	3	18%
TOTAL NET REVENUES	5,262	4,057	1,205	30%

* Charges for the termination of calls of the cellular operators.

6- Consolidated Revenues Breakdown

Three -Month Comparison

	Sep-30			
	2006	**2005**	**Δ$**	**Δ%**
Fixed Telephony	568	556	12	2%
Measured service				
Local	128	139	(11)	-8%
DLD	119	114	5	4%
Monthly charges	179	170	9	5%
Public telephones	31	38	(7)	-18%
Interconnection	81	63	18	29%
Others	30	32	(2)	-6%
International Telephony	54	57	(3)	-5%
Data transmission & Internet	142	118	24	20%
Cellular Telephony	1,130	731	399	55%
Telecom Personal	1,032	673	359	53%
Monthly fee and measured service	229	152	77	51%
Pre-paid card	356	177	179	101%
Calling Party Pays	125	108	17	16%

TLRD *	110	68	42	62%
Handset sales	141	84	57	68%
Others	71	84	(13)	-15%
Núcleo	98	58	40	69%
Monthly fee and measured service	17	13	4	31%
Pre-paid card	50	24	26	108%
Calling Party Pays	11	9	2	22%
TLRD *	12	6	6	100%
Handset sales	1	3	(2)	-67%
Others	7	3	4	133%
Telephone Directories (Publicom)	11	10	1	10%
TOTAL NET REVENUES	1,905	1,472	433	29%

* Charges for the termination of calls of the cellular operators.

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7- Consolidated Income Statement by Activities

Nine month period - FY 2006

(In million of Argentine pesos)

	Activities				Variation vs 9M05	
	Voice, Data and Internet	**Cellular Telephony**	**Publishing Directories**	**Consolidated Activities**	**Δ$**	**Δ%**
NET REVENUES	2,249	2,993	20	5,262	1,205	30%
Salaries and social security contributions	(488)	(116)	(7)	(611)	(107)	21%
Taxes	(128)	(251)	(1)	(380)	(100)	36%
Materials and supplies	(178)	(63)	(6)	(247)	(32)	15%
Doubtful accounts	(12)	(39)		(51)	(33)	183%
Interconnection cost	(119)			(119)	(12)	11%
Settlement charges	(77)			(77)	(5)	7%
Lease of lines and circuits	(22)	(18)		(40)	(6)	18%
Service fees	(76)	(95)		(171)	(64)	60%
Advertising	(37)	(109)	(3)	(149)	(52)	54%
Agent and Prepaid card commissions	(16)	(349)		(365)	(110)	43%
Cost of cellular handsets		(655)		(655)	(264)	68%
Roaming and TLRD		(379)		(379)	(107)	39%
Others	(131)	(154)	(2)	(287)	(63)	28%
Operating (Loss)/Profit before D&A	965	765	1	1,731	250	17%
Operating (Loss)/Profit before D&A Margin	*43%*	*26%*	*5%*	*33%*		
Depreciation of fixed assets	(709)	(309)		(1,018)	82	-7%
Amortization of intangible assets	(8)	(29)		(37)	(3)	9%
OPERATING RESULTS	248	427	1	676	329	95%
EQUITY INCOME FROM RELATED COMPANIES		6		6	(1)	-14%
FINANCIAL AND HOLDING INCOME	(317)	(96)	1	(412)	(503)	-553%
OTHER EXPENSES, NET	(80)	(47)	(2)	(129)	(21)	19%
DEBT RESTRUCTURING INCOME					(1,424)	-100%
INCOME FROM ORDINARY OPERATIONS	(149)	290		141	(1,620)	-92%
Taxes on income	44	(7)	1	38	172	-128%
Minority interest		(15)		(15)	(11)	275%
NET (LOSS)/INCOME	(105)	268	1	164	(1,459)	-90%

Consolidated Income Statement by Activities

Nine month period - FY 2005

(In million of Argentine pesos)

	Activities			
	Voice, Data and Internet	**Cellular Telephony**	**Publishing Directories**	**Consolidated Activities**
NET REVENUES	2,122	1,918	17	4,057
Salaries and social security contributions	(412)	(83)	(9)	(504)
Taxes	(122)	(157)	(1)	(280)
Materials and supplies	(153)	(58)	(4)	(215)
Doubtful accounts	(4)	(15)	1	(18)
Interconnection cost	(107)			(107)
Settlement charges	(72)			(72)
Lease of lines and circuits	(22)	(12)		(34)
Service fees	(57)	(50)		(107)
Advertising	(29)	(66)	(2)	(97)
Agent and Prepaid card commissions	(13)	(242)		(255)
Cost of cellular handsets		(391)		(391)
Roaming and TLRD		(272)		(272)
Others	(117)	(103)	(4)	(224)
Operating (Loss)/Profit before D&A	1,014	469	(2)	1,481
Operating (Loss)/Profit before D&A Margin	*48%*	*24%*	*-12%*	*37%*
Depreciation of fixed assets	(821)	(278)	(1)	(1,100)
Amortization of intangible assets	(7)	(27)		(34)
OPERATING RESULTS	186	164	(3)	347
EQUITY INCOME FROM RELATED COMPANIES	7			7
FINANCIAL AND HOLDING INCOME	172	(82)	1	91
OTHER EXPENSES, NET	(82)	(24)	(2)	(108)
DEBT RESTRUCTURING INCOME	1,424			1,424
INCOME FROM ORDINARY OPERATIONS	1,707	58	(4)	1,761
Taxes on income	(172)	37	1	(134)
Minority interest		(4)		(4)
NET (LOSS)/INCOME	1,535	91	(3)	1,623

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TELECOM ARGENTINA S.A.

Unconsolidated Information

NINE MONTH PERIOD AND THIRD QUARTER - FISCAL YEAR 2006

(In millions of Argentine pesos)

8- Balance Sheet

	Sep-30 2006	Dec-31 2005	Δ$	Δ%
Cash, equivalents and investments	656	558	98	18%
Trade receivables	343	349	(6)	-2%
Other current assets	60	36	24	67%
TOTAL CURRENT ASSETS	1,059	943	116	12%
Other Trade receivables	237	169	68	40%
Fixed & Intangible assets	4,206	4,601	(395)	-9%
Investments	858	829	29	3%
Other non-current assets	19	21	(2)	-10%
TOTAL NON-CURRENT ASSETS	5,320	5,620	(300)	-5%
TOTAL ASSETS	6,379	6,563	(184)	-3%
Accounts payable	449	399	50	13%
Loans	880	819	61	7%
Reserves	69	54	15	28%
Other current liabilities	193	193		0%
TOTAL CURRENT LIABILITIES	1,591	1,465	126	9%
Loans	2,349	2,802	(453)	-16%
Compensation and social benefits payable	30	30		0%
Others liabilities	213	258	(45)	-17%
Reserves	153	141	12	9%
TOTAL NON-CURRENT LIABILITIES	2,745	3,231	(486)	-15%
TOTAL LIABILITIES	4,336	4,696	(360)	-8%
Shareholders equity	2,043	1,867	176	9%
TOTAL LIABILITIES AND EQUITY	6,379	6,563	(184)	-3%

9- Income Statement

Nine - Month Comparison

	30-Sep 2006	2005	Δ$	Δ%
Net revenues	2,495	2,292	203	9%
Cost of services provided	(1,439)	(1,435)	(4)	0%
GROSS PROFIT	1,056	857	199	23%
Administrative expenses	(122)	(105)	(17)	-16%
Selling expenses	(449)	(399)	(50)	-13%
OPERATING (LOSS)/PROFIT	485	353	132	37%

Name	Grant Date of Award	Number of Securities Underlying Unexercised Options (#) Exercisable	Unexercisable (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Dawne S. Hickton										
	1/26/2007		5,000		$ 76.85	1/28/17	7,280	$ 501,810		$
	1/27/2006	2,333	4,667		45.09	1/27/16	5,550	382,562		
	1/28/2005	5,333	2,667		21.50	1/28/15	3,750	258,488		
	1/30/2004	5,335			14.96	1/30/14	2,250	155,093		
	1/31/2003	6,000			10.22	1/31/13	670	46,183		
Timothy G. Rupert (3)										
	1/26/2007						13,216	910,979		
	1/27/2006		6,667		45.09	1/27/16	9,250	637,603		
	1/28/2005		5,000		21.50	1/28/15	7,500	516,975		
	1/30/2004						2,800	193,004		
John H. Odle (4)										
	1/26/2007						7,200	496,296		
	1/27/2006	2,666	5,334		45.09	1/27/16	4,950	341,204		
	1/28/2005	6,666	3,334		21.50	1/28/15	3,000	206,790		
	1/30/2004						1,200	82,716		

Michael C. Wellham							
	1/26/2007		3,500	76.85	1/28/17	3,740	257,798
	1/27/2006	833	1,667	45.09	1/27/16	750	51,698
	1/28/2005	3	834	21.50	1/28/15	825	56,867
	1/30/2004					700	48,251
	1/31/2003					185	12,752
Stephen R. Giangiordano							
	1/26/2007		3,500	76.85	1/28/17	3,846	265,105
	1/27/2006	1,333	2,667	45.09	1/27/16	1,237	85,266
	1/28/2005	2,666	1,334	21.50	1/28/15	962	66,311
	1/30/2004	4,000		14.96	1/30/14	612	42,185
	1/31/2003	8,000		10.22	1/31/13	313	21,575
William T. Hull							
	1/26/2007		3,500	76.85	1/26/17	3,860	266,070
	1/27/2006	1,333	2,667	45.09	1/27/16	2,840	195,761
	8/1/2005	6,666	3,334	34.90	8/1/15	1,000	68,930
Chad Whalen							
	2/19/2007		10,000	83.41	2/19/17	1,500	103,395

(1) These stock option awards vest ratably in three equal annual installments beginning one year after the grant date.

(2) The market value of restricted stock awards is based on the closing market price of RTI stock as of December 31, 2007, which was $68.93.

(3) Mr. Rupert, the former President and Chief Executive Officer, retired from the Company July 31, 2007.

(4) Mr. Odle, the former Executive Vice President, retired from the Company September 28, 2007.

Option Exercises and Stock Vested During 2007

The following table provides information, for the Named Executive Officers on (1) stock option exercises during 2007, including the number of shares acquired upon exercise and the value realized and (2) the number of shares acquired upon the vesting of restricted stock awards and the value realized, before payment of any applicable withholding tax and broker commissions.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized Upon Exercise ($)(1)	Number of Shares Acquired Upon Vesting	Value Realized Upon Vesting ($)
Dawne S. Hickton		$	7,680	$ 598,722
Timothy G. Rupert (2)	28,333	1,835,253	47,354	3,676,301
John H. Odle (3)	12,000	695,280	21,250	1,686,648
Michael C. Wellham	2,171	152,004	1,440	111,965
Stephen R. Giangiordano			2,076	162,293
William T. Hull			2,160	163,836
Chad Whalen				

(1) Value realized represents the excess of the fair market value of the shares at the time of exercise over the exercise price of the options.

(2) Mr. Rupert, the former President and Chief Executive Officer, retired from the Company July 31, 2007. Upon his retirement, the Board of Directors accelerated the vesting of shares of restricted stock that otherwise would have vested in January 2008.

(3) Mr. Odle, the former Executive Vice President, retired from the Company September 28, 2007. Upon his retirement, the Board of Directors accelerated the vesting of shares of restricted stock that otherwise would have vested in January 2008.

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Retirement Benefits

Pension Benefits Table

The following table sets forth information with respect to each plan that provides for payments or other benefits at, following, or in connection with retirement. The amounts set forth for Messrs. Rupert and Odle reflect the payments that have been or are to be made in connection with each of their respective retirements in July and September of 2007.

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefits ($)(1)	Payments During Last Fiscal Year ($)
Dawne S. Hickton	Pension Plan	10	153,116	
	Supplemental Pension Program	10	171,574	
	Excess Benefits Plan	10	30,905	
Timothy G. Rupert (2)	Pension Plan	16	297,822	59,457
	Supplemental Pension Program	39	3,551,562	
	Excess Benefits Plan	16	548,620	
	Letter Agreement	39	1,902,253	
John H. Odle (3)	Pension Plan	30	770,692	42,308
	Supplemental Pension Program	39	1,447,156	
	Excess Benefits Plan	30	403,616	
	Letter Agreement	39	455,291	
Michael C. Wellham	Supplemental Pension Program	12	49,095	
Stephen R. Giangiordano	Pension Plan	24	427,447	
	Supplemental Pension Program	24	288,629	
	Excess Benefits Plan	24		
William T. Hull	Pension Plan	2	31,546	
	Supplemental Pension Program	2	14,042	
	Excess Benefits Plan	2	911	
Chad Whalen	Supplemental Pension Program	0	406	

(1) The present value has been calculated assuming the earliest time at which the Named Executive Officer may retire without any benefit reduction. The remaining assumptions used are consistent with the assumptions as described in the Company s Consolidated Financial Statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC. As described in the financial statements, the discount rate assumption is 6.25%.

(2) Mr. Rupert, the former President and Chief Executive Officer, retired from the Company July 31, 2007. The amounts set forth in the table reflect the actual amounts owed to Mr. Rupert as of his date of retirement.

(3)

Mr. Odle, the former Executive Vice President, retired from the Company September 28, 2007. The amounts set forth in the table reflect the actual amounts owed to Mr. Odle as of his date of retirement The following narrative describes each plan set forth in the above table.

Pension Plan

RTI s Pension Plan for Eligible Salaried Employees (the Pension Plan) is a tax-qualified defined benefit plan which first became effective at Reactive Metals, Inc. (a predecessor of RTI International Metals, Inc.) in 1964. The Pension Plan recognizes, for pension benefits, services and compensation with RTI, RMI Titanium Company, RMI Company, Reactive Metals, Inc., United States Steel Corporation, USX Corporation, Quantum Chemical Corporation, or subsidiaries of each. The amounts payable under the Pension Plan will be paid monthly after a participant retires. The benefits are based on a formula which provides under normal retirement amounts equal to 1.25% of the average monthly earnings multiplied by continuous years of service up to and including 30 years; plus 1.35% of the average monthly earnings multiplied by continuous years of service in excess of 30 years of a specified percentage (dependent on years of service) of average annual eligible earnings in the five consecutive years in the ten years prior to retirement in which such earnings are highest. Eligible earnings include only base salary. Incentive awards and similar benefits are excluded, although the amount of such benefits is included in the Summary Compensation Table. Benefits payable under the Pension Plan, and amounts reflected in the following table, are subject to offsets for certain pensions payable under the U.S. Steel and the Quantum pension plans. Effective January 1, 2006 the Plan was closed to new participants.

Mr. Rupert retired under a 55/10 Retirement (meaning reduced benefits based on being at least 55 years of age with 10 or more years of service) effective August 1, 2007. He was paid a special payment of $55,000 for the first three months of retirement per the terms of the Pension Plan, and a monthly benefit of $2,229 per month effective the fourth month after retirement (November 1, 2007).

Mr. Odle retired under a Normal Retirement effective October 1, 2007. He was paid a special payment of $42,308 for the first three months of retirement and a monthly benefit of $6,398 per month effective the fourth month after retirement (January 1, 2008).

Excess Benefits Plan

The Internal Revenue Code imposes limits on the amount of annual eligible compensation under tax-qualified pension plans. For 2007, annual compensation in excess of $225,000 cannot be taken into account in determining qualified plan benefits. RTI maintains the RTI International Metals, Inc. Excess Benefits Plan (the Excess Benefits Plan) for certain highly-compensated employees who participate in RTI s tax-qualified pension plans and would otherwise be limited by such tax limits. The Excess Benefits Plan is an unfunded excess benefit plan within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended. It provides additional retirement income in an amount equal to the difference between benefits that would have been received under the Pension Plan but for the limitations imposed by the Internal Revenue Code and amounts actually payable under the Pension Plan. Participants must be designated by the Board of Directors; at this time only Messrs. Rupert and Odle, Ms. Hickton, and Mr. Giangiordano and Mr. Hull have been so designated.

At the time of his retirement, Mr. Rupert was eligible for a lump sum payment of $538,414 under the terms of the Excess Benefit Plan. The payment was delayed until February 1, 2008 in accordance with the provisions of his Letter Agreement in order to comply with Section 409A of the Internal Revenue Code.

At the time of his retirement, Mr. Odle was eligible for a lump sum payment of $399,247 under the terms of the Excess Benefits Plan. The payment has been delayed until April 1, 2008 in accordance with the provisions of his Letter Agreement in order to comply with Section 409A of the Internal Revenue Code.

Supplemental Pension Program

Officers participating in the Company s annual incentive compensation programs (i.e., annual bonuses) are also eligible for the RTI Supplemental Pension Program. If they retire or otherwise terminate employment after age 60, or prior to age 60 with a minimum of 30 years service and with RTI consent, they will be entitled to receive the benefits shown in the table below based on bonuses paid as annual incentive compensation under the Pay Philosophy and Guiding Principles.

As discussed in greater detail below, RTI has agreed with Mr. Rupert that his continuous service for purposes of the Supplemental Pension Program included his service with USX Corporation and its predecessor U.S. Steel. As of December 31, 2007, Ms. Hickton had 10 credited years of service, Mr. Wellham had 12 years of service, Mr. Giangiordano had 23 years of service, Mr. Hull had 2 years of credited service and Mr. Whalen had 0 years of service. At the time of their retirements, Mr. Odle had 29.67 years of service and Mr. Rupert had 39.09 years of service. Average annual bonus as of December 31, 2007, for purposes of the pension benefits under the RTI

Supplemental Pension Program for each of the following named executive officers are as follows: Ms. Hickton, $192,000; Mr. Wellham, $63,400; Mr. Giangiordano, $92,000; Mr. Hull, $73,000; and Mr. Whalen, $16,000. The

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payouts under the RTI Supplemental Pension Program for each of Mr. Rupert, who retired July 31, 2007, and Mr. Odle, who retired September 28, 2007, are set forth in the Pension Benefits table above.

The benefits shown above are based on a formula whereby the average annual bonuses for the highest five years in the preceding ten year period are multiplied times a factor. The factor is determined by multiplying 1.5% for each year of continuous service. The Supplemental Pension is paid as a lump sum distribution based on the present value of the amounts payable. The plan provides for surviving spouse benefits at a reduced rate under certain conditions described in the Plan. In order to comply with the limitations of the Internal Revenue Code, pension benefits will be paid directly by RTI when they exceed the amounts permitted by the Code to be paid from federal income tax qualified pension plans.

Letter Agreements

Under the employment agreement dated as of August 1, 1999 between RTI and Mr. Odle, RTI agreed that if he continued in active employment with RTI until either age 65, or such earlier date as the RTI Board of Directors may approve, RTI, on a date six months from the effective date of his retirement, would pay him a one time lump sum payment of the then present value of the 9.16 years of non-pensionable service attributable to periods he was employed by U.S. Steel (3.58 years) and the Company (5.58 years) which pre-date his current period of employment, calculated pursuant to the RTI Pension Plan and its Supplemental Pension Program. Mr. Odle retired on September 28, 2007, and as a result will receive a one time lump sum payment of $2,281,099, plus interest, on April 1, 2008 as full payment of the Excess Plan, Supplemental Plan and Letter Agreement. On September 28, 2007, RTI and Mr. Odle entered into an agreement amending the Letter Agreement to provide for the payment of interest on lump sums owed him at the time of retirement under the Supplemental Plan, the Excess Plan and the Letter Agreement whose payments are delayed for a six month period in order to comply with Section 409A of the Internal Revenue Code. The rate paid will be 4.45% simple interest based on the published national rate for 6 month Certificates of Deposit on the date of retirement and will total approximately $51,600.

On December 6, 2003, RTI entered into a letter agreement with Mr. Rupert (the 2003 Letter) with respect to Mr. Rupert s retirement benefits. The 2003 Letter provided for an amendment to the RTI Supplemental Pension Program allowing the benefits payable to Mr. Rupert under the RTI Supplemental Pension Program to be calculated in a manner that includes Mr. Rupert s service with U.S. Steel and its predecessors, and with RTI. This amendment was effected in January 2004. RTI s obligations toward such benefit shall continue notwithstanding any termination of the RTI Supplemental Pension Program. The 2003 Letter superseded a previous letter agreement with respect to Mr. Rupert s benefits dated April 13, 1992, between Mr. Rupert and RMI Titanium Company, signed by L.F. Gieg, Jr. In addition, the 2003 Letter provides that Mr. Rupert s pension under the RTI Pension Plan is calculated based solely upon the terms of the RTI Pension Plan, using Mr. Rupert s combined years of service with the U.S. Steel and RTI, reduced by the amount of any retirement benefits payable under the U.S. Steel Pension Plan.

Mr. Rupert further agreed in the 2003 Letter that RTI will not have an obligation to make up any difference in (a) any pension benefit Mr. Rupert would have received from the U.S. Steel Pension Plan had Mr. Rupert remained employed by U.S. Steel and (b) the actual combined pension benefit Mr. Rupert will receive from the U.S. Steel Plan and RTI. Finally, in the event that Mr. Rupert fails to receive from the U.S. Steel pension plan the pension benefits owed to him (estimated to be approximately $33,436 per year), after using reasonable efforts to collect his benefits through the U.S. Steel pension plan s claims and appeals procedures, RTI agrees under the 2003 Letter to guarantee the full payment of such benefits, and Mr. Rupert agrees to cooperate with RTI in connection with any claim or action for reimbursement of all or any portion of such payments made under such guarantee. The effects of the 2003 Letter are reflected in the description of Mr. Rupert s pension benefits set forth above. On July 31, 2007, RTI and Mr. Rupert entered into an agreement amending the Letter Agreement to provide for the payment of interest on lump sums owed him at the

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time of retirement under the Supplemental Plan, Excess Plan and Letter Agreement whose payments were delayed for a six month period in order to comply with Section 409A of the Internal Revenue Code. The rate paid was 4.61% simple interest based on the published national rate for 6 month Certificates of Deposit on the date of retirement and totaled $138,800.

Potential Payments Upon Termination or Change in Control

The tables below reflect the estimated amount of compensation to be paid, and/or benefits to be provided, to each of the named executive officers, in the event of termination of such executive s employment as of December 31, 2007 under the different scenarios captioned in the tables. Actual amounts are tied to the day of termination and can only be finally determined following such date. As Messrs. Rupert and Odle retired during 2007, they are no longer eligible to receive any benefits upon a change in control and actual payments in connection with their retirement have been discussed above. The following tables should be read in conjunction with the narrative following the table, as well as the table and narrative related to retirement benefits on page 29 of this proxy statement.

The following tables include payments under the Company s 401(k) Savings Plan. The Savings Plan payments estimated for Ms. Hickton, Mr. Hull and Mr. Giangiordano consist solely of employee contributions as these executives have not received any matching contributions by the Company. Mr. Wellham and Mr. Whalen do receive a match of 50% of their first 8% contribution to the Plan and they are not participants in the Pension Plan. Finally, as estimates for any potential excise tax imposed by Section 4999 of the Internal Revenue Code are tied to an executive s recent historical compensation, which can vary for events beyond the control of the Company (such as exercises of stock options or other transactions in Company securities), the estimates for 2007 may not be indicative of actual payments in future periods.

Dawne S. Hickton

Component	For Cause Termination	Voluntary Termination	Death	Disability	Retirement	Involuntary Not For Cause Termination	Involuntary Not For Cause or Employee for Good Reason Termination (Change-In-Control)
Severance & Short-Term Compensation							
Bonus Earned In Year of Termination	$	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$	$ 300,000
Cash Severance & Short-Term Incentive			106,250	106,250		850,000	1,859,375
Long-Term Incentive							

Stock Options (Unexercisable)							237,733
Time-Based Restricted Stock							1,344,135
Other Benefits							
Savings Plan	160,981	160,981	160,981	160,981	160,981	160,981	160,981
Pension Plan (1)	27,067	27,067	3,451	27,067	27,067	27,067	27,067
Supplemental Pension Program (2)							
Excess Benefits Plan (1)		31,400	11,022	5,489	31,400	31,400	31,400
Change-In-Control Retirement Benefit Enhancement	n/a	n/a	n/a	n/a	n/a	n/a	44,010
Health & Welfare Benefits						25,842	32,303
Life, LTD, Supplemental LTD and Insurance						6,668	8,335
Excise Tax and Related Gross-Up	n/a	n/a	n/a	n/a	n/a	n/a	
Total	$ 188,048	$ 519,448	$ 581,704	$ 599,787	$ 519,448	$ 1,101,958	$ 4,045,339

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(Potential Payments Upon Termination or Change in Control Continued)

Michael C. Wellham

Component	For Cause Termination	Voluntary Termination	Death	Disability	Retirement	Involuntary Not For Cause Termination	Involuntary Not For Cause or Employee for Good Reason Termination (Change-In-Control)
Severance & Short-Term Compensation							
Bonus Earned In Year of Termination	$	$ 190,000	$ 190,000	$ 190,000	$ 190,000	$	$ 190,000
Cash Severance & Short-Term Incentive			81,250	81,250		487,500	1,040,000
Long-Term Incentive							
Stock Options (Unexercisable)							79,258
Time-Based Restricted Stock							427,366
Other Benefits							
Savings Plan	231,129	231,129	231,129	231,129	231,129	231,129	231,129
Pension Plan (1)							
Supplemental Pension Program (2)							
Excess Benefits Plan (1)							
Change-In-Control Retirement Benefit Enhancement	N/A	N/A	N/A	N/A	N/A	N/A	
Health & Welfare Benefits						19,382	25,842
Life, LTD, Supplemental LTD and Insurance						2,825	3,766
Excise Tax and Related Gross-Up	N/A	N/A	N/A	N/A	N/A	N/A	514,582
Total	$ 231,129	$ 421,129	$ 502,379	$ 502,379	$ 421,129	$ 740,836	$ 2,511,943

Stephen R. Giangiordano

Involuntary Not For Cause

Component	For Cause Termination	Voluntary Termination	Death	Disability	Retirement	Involuntary Not For Cause Termination	or Employee for Good Reason Termination (Change-In-Control)
Severance & Short-Term Compensation							
Bonus Earned In Year of Termination	$	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$	$ 150,000
Cash Severance & Short-Term Incentive			62,500	62,500		250,000	770,348
Long-Term Incentive							
Stock Options (Unexercisable)							126,813
Time-Based Restricted Stock							480,442
Other Benefits							
Savings Plan	514,120	514,120	514,120	514,120	514,120	514,120	514,120
Pension Plan (1)	51,056	51,056	25,528	51,056	51,056	51,056	51,056
Supplemental Pension Program (2)			266,189	33,010			
Excess Benefits Plan (1)							
Change-In-Control Retirement Benefit Enhancement	n/a	n/a	n/a	n/a	n/a	n/a	25,210
Health & Welfare Benefits						12,921	25,842
Life, LTD, Supplemental LTD and Insurance						1,794	3,588
Excise Tax and Related Gross-Up	n/a	n/a	n/a	n/a	n/a	n/a	
Total	$ 565,176	$ 715,176	$ 1,018,337	$ 810,686	$ 715,176	$ 829,891	$ 2,147,419

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(Potential Payments Upon Termination or Change in Control Continued)

William T. Hull

Component	For Cause Termination	Voluntary Termination	Death	Disability	Retirement	Involuntary Not For Cause Termination	Involuntary Not For Cause or Employee for Good Reason Termination (Change-In-Control)
Severance & Short-Term Compensation							
Bonus Earned In Year of Termination	$	$ 140,000	$ 140,000	$ 140,000	$ 140,000	$	$ 140,000
Cash Severance & Short-Term Incentive			62,500	62,500		250,000	777,124
Long-Term Incentive							
Stock Options (Unexercisable)							177,007
Time-Based Restricted Stock							530,761
Other Benefits							
Savings Plan	37,392	37,392	37,392	37,392	37,392	37,392	37,392
Pension Plan (1)							
Supplemental Pension Program (2)							
Excess Benefits Plan (1)							
Change-In-Control Retirement Benefit Enhancement	n/a	n/a	n/a	n/a	n/a	n/a	
Health & Welfare Benefits						12,921	25,842
Life, LTD, Supplemental LTD and Insurance						1,955	3,910
Excise Tax and Related Gross-Up	n/a	n/a	n/a	n/a	n/a	n/a	395,244
Total	$ 37,392	$ 177,392	$ 239,892	$ 239,892	$ 177,392	$ 302,268	$ 2,087,280

Chad Whalen

Component	For Cause Termination	Voluntary Termination	Death	Disability	Retirement	Involuntary Not For Cause Termination	Involuntary Not For Cause or Employee for Good Reason Termination (Change-In-Control)
Severance & Short-Term Compensation							
Bonus Earned In Year of Termination	$	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$	$ 80,000
Cash Severance & Short-Term Incentive			50,000	50,000		200,000	560,000
Long-Term Incentive							
Stock Options (Unexercisable)							
Time-Based Restricted Stock							103,395
Other Benefits							
Savings Plan	15,437	15,437	15,437	15,437	15,437	15,437	15,437
Pension Plan (1)							
Supplemental Pension Program (2)							
Excess Benefits Plan (1)							
Change-In-Control Retirement Benefit Enhancement	n/a	n/a	n/a	n/a	n/a	n/a	
Health & Welfare Benefits							
Life, LTD, Supplemental LTD and Insurance						1,877	3,755
Excise Tax and Related Gross-Up	n/a	n/a	n/a	n/a	n/a	n/a	
Total	$ 15,437	$ 95,437	$ 145,437	$ 145,437	$ 95,437	$ 217,314	$ 762,587

(1) All benefits shown are annual benefits based on a straight life annuity form of payment.

(2)

Amounts are based on a lump sum form of payment, except for termination due to disability. For participants with at least 15 years of service as of disability, service continues to accrue until the earlier of age 65 or discontinuance of long-term disability. The benefit shown is the annual accrued benefit that would be payable as a lump sum at age 65.

Letter Agreements

Each of the letter agreements currently in place for Ms. Hickton and Messrs. Wellham, Giangiordano, Hull and Whalen provide that if the executive is terminated for cause , regardless of whether there is a change in control, he or she will be entitled to no further compensation except for any base salary accrued and unpaid on the date of termination. If the Company terminates the executive s employment other than for cause, the provisions of the Executive Severance Policies described below will be effective. Cause is defined in the letter agreements as termination upon (i) any material breach by you of this Letter Agreement, (ii) your gross misconduct, (iii) gross neglect of you duties with the Company, insubordination or failure to follow the lawful directives of the Board of Directors of the Company, in each case after a demand for substantial performance is delivered to you that identifies the manner in which the Company believes that you have not acted in accordance with requirements and you have failed to resume substantial performance of your duties within fourteen (14) days of receiving such demand, (iv) your commission, indictment, conviction, guilty plea, or plea of nolo contender to or of any felony, a misdemeanor which substantially impairs your ability to perform your duties with the Company, act of moral turpitude, or intentional or willful securities law violation including Sarbanes-Oxley law violations, (v) your act of theft or dishonesty which is injurious to the Company, or (vi) your violation of any Company policy, including any substance abuse policy.

Executive Change in Control Severance Policy

The Executive Change in Control Severance Policy (the Change in Control Policy) that the board of directors adopted is applicable to each of Ms. Hickton, Mr. Wellham, Mr. Giangiordano, Mr. Hull and Mr. Whalen. It will also be applicable to any successor to these individuals should any of them leave the position they will each hold pursuant to their letter agreement and to any other executive officer who is informed in writing by the Company of participation.

The Change in Control Policy provides that if the employment of an executive to whom the policy is applicable is terminated by the Company other than for cause (as defined below), death or disability, or if the executive s employment is terminated by the executive for good reason (as defined below) in each case within 24 months following a change in control of the Company, the executive will receive the following severance benefits:

Provided the executive does not violate his or her duty to maintain strict confidence and does not disclose any confidential information or disseminate any false and/or defamatory information pertaining to the Company or its stockholders, a lump sum payment payable on the first day following the six month anniversary of the executive s termination of employment equal to a multiple of the sum of the executive s base salary in effect immediately prior to the circumstances giving rise to the termination and the executive s annual bonus as calculated under the terms of the Change in Control Policy. The multiple is 2.5 for the Chief Executive Officer and 2.0 for all other executives,

The immediate and irrevocable vesting of any previously granted but unvested stock options and restricted stock grants,

The immediate vesting of any outstanding performance shares or other performance-based awards representing a right to receive shares of common stock or their equivalent,

Subject to limitations and caps specified in the Change in Control Policy, a payment payable on the first day following the six month anniversary of the executive s termination of employment equal to an amount, if any, necessary to gross-up the total benefits payable to the executive under the Change in Control Policy for any excise tax imposed by Section 4999 of the Internal Revenue Code and for any income or other taxes due on the payment of the gross-up payment, Continuation for up to 24 months (30 months in the case of the CEO) (the Payment Period) of life, disability, accident and health insurance benefits similar to those the executive was receiving immediately prior to the termination of employment but subject to reduction to the extent that the executive receives comparable benefits from other employment during such period, and

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An amount equal to the difference in the amount of pension benefits that the executive would have received assuming he or she had continued to be employed through the Payment Period and assuming the methods of calculations set forth in the Change of Control Policy, and the pension benefits actually payable as of the executive s termination of employment, in each case under RTI s Pension Plan and the RTI Supplemental Pension Plan.

The definition of a change in control provides, in summary, that a change in control will have occurred if:

Any person not affiliated with RTI acquires 30 percent or more of the voting power of our outstanding securities,

The board of directors no longer has a majority made up of (1) individuals who were directors on February 22, 2007 and (2) new directors (other than directors who join the Board in connection with an election contest) approved by two-thirds of the directors then in office who (a) were directors on February 22, 2007 or (b) were themselves previously approved by the Board in this manner,

RTI merges with another company and RTI s shareholders end up with less than 60 percent of the voting power of the new entity,

The RTI shareholders approve a plan of complete liquidation of RTI; or

RTI sells all or substantially all of RTI s assets.

The definition of cause under the policy means termination upon (i) any material breach by Executive of their letter agreement, (ii) the Executive s gross misconduct, (iii) the Executive s gross neglect of their duties with the Company, insubordination or failure to follow the lawful directives of the Board of Directors of the Company, in each case after a demand for substantial performance is delivered to the Executive that identifies the manner in which the Company believes that the Executive has not acted in accordance with requirements and the Executive has failed to resume substantial performance of their duties within fourteen (14) days of receiving such demand, (iv) the Executive s commission, indictment, conviction, guilty plea, or plea of *nolo contendre* to or of any felony, a misdemeanor which substantially impairs the Executive s ability to perform his or her duties with the Company, act of moral turpitude, or intentional or willful securities law violation, including Sarbanes-Oxley law violations, (v) the Executive s act of theft or dishonesty which is injurious to the Company, or (vi) the Executive s violation of any Company policy, including any substance abuse policy.

Good reason is defined under the policy as, without the Executive s express written consent, the occurrence after a Change in Control of the Company of any one or more of the following: (A) The assignment of duties inconsistent with the Executive s position immediately prior to the Change in Control; (B) A material reduction or alteration in the nature of Executive s position, duties, status or responsibilities from those in effect immediately prior to the Change in Control; (C) failure by the Company to continue any of the Company s employee benefit programs or practices in which Executive participates (or substantially equivalent successors to such programs or practices) or failure to continue Executive s participation on substantially the same basis as existed immediately prior to the Change in Control; (D) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform Executive s letter agreement; (E) Any purported termination of Executive s employment not effected pursuant to the Executive s letter agreement; and (F) requiring Executive to be based at a location in excess of fifty (50) miles from the location where Executive is based immediately prior to the Change in Control.

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Executive Non-Change in Control Severance Policy

The Executive Non-Change in Control Severance Policy (the Non-Change in Control Policy) that the board of directors adopted is applicable to the same executives and on the same dates as the Change in Control Policy. It provides that if the employment of an executive to whom the policy is applicable is terminated prior to the expiration of the employment period specified in the executive s letter agreement by the Company other than for cause (using the definition set forth above), death or disability, by the executive within 90 days of a material breach by the Company of the executive s letter agreement, or by the executive due to the reduction in the executive s base salary without the consent of the executive, the executive will receive the following severance benefits:

Monthly payments in the amount of a multiple of the executive s monthly base salary in effect immediately prior to the termination of employment for up to 24 months in the case of the Chief Executive Officer, 18 months in the case of the Chief Operating Officer, and 12 months for the other applicable executives. In each case, such payments are subject to reduction to the extent that the executive receives comparable compensation from other employment during such period. The multiple is 2.0 for the Chief Executive Officer, 1.5 for the Chief Operating Officer and 1.0 for the other applicable executives. No monthly payments will be made until the first day following the six month anniversary of the executive s separation from service on which date the first seven monthly installments shall be paid with successive monthly installments paid on the monthly anniversaries thereafter; and

Continuation for up to 24 months for the Chief Executive Officer, 18 months for the Chief Operating Officer and 12 months for the other applicable executives, of life, disability, accident and health insurance benefits similar to those the executive was receiving immediately prior to the termination of employment but subject to reduction to the extent that the executive receives comparable benefits from other employment during such period.

If an executive is entitled to payments or benefits under the Change in Control Policy then the executive shall not be entitled to payments or benefits under the Non-Change in Control Policy. If the Company elects not to extend the employment period of an executive s letter agreement such that the employment period terminates, the non-extension shall not be treated for purposes of the Non-Change in Control Policy as an involuntary termination by the Company that would entitle the executive to benefits under such policy.

2004 Stock Plan

Under the Company s 2004 Stock Plan, any unvested restricted stock awards or stock options automatically terminate in the event that the executive is terminated for cause, is terminated without cause, voluntarily terminates employment or becomes permanently disabled, and any vested but unexercised stock options are immediately forfeited. In the event that an executive retires (which is deemed to occur only under conditions which entitle the executive to an immediately receivable pension and not a deferred vested pension) or dies, stock options may continue to be exercised for three years following retirement or death; provided, however, that the Compensation Committee may cause the immediate forfeiture of unvested shares where an executive retires before the age of 65 or after a the executive retires at any age if the Committee deems such forfeiture to be in the best interests of the Company.

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Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation on Earnings ($)	All Other Compensation ($)	Total ($)	Grant Date Fair Value of 2007 Awards ($)(4)
Craig R. Andersson	$ 60,000	$ 53,328	$	$	$	$	$ 113,328	$ 60,000
Daniel I. Booker	67,500	53,328					120,828	60,000
Donald P. Fusilli, Jr.	60,000	53,328					113,328	60,000
Ronald L. Gallatin	60,000	53,328					113,328	60,000
Charles C. Gedeon	60,000	53,328					113,328	60,000
Robert M. Hernandez	90,000	84,183					174,183	90,000
Edith E. Holiday	65,625	53,328					118,953	60,000
James A. Williams	80,000	53,328					133,328	60,000

(1) Represents the proportionate amount of the total fair value of stock awards recognized by the Company as an expense in 2007 for financial accounting purposes. The fair values of these awards and the amounts expensed in 2007 were determined in accordance with SFAS 123(R). The assumptions used in determining the grant date fair values of these awards are set forth in the Notes to the Company s Consolidated Financial Statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC.

(2) As of December 31, 2007, each non-employee director held 621 shares of restricted stock except for Mr. Hernandez who held 921 shares of restricted stock. These shares were awarded as partial payment of the annual retainer for Board service.

(3) As of December 31, 2007, each non-employee director had the following aggregate number of vested options outstanding: Craig R. Andersson: 6,000; Ronald L. Gallatin: 1,000.

(4) Represents the grant date fair value of awards granted to each non-employee director during 2007.

RTI employees receive no extra pay for serving as a director. For 2007, non-employee directors (except for the Chairman) received an annual retainer for their service on the Board of $120,000 and Mr. Hernandez received an annual retainer of $180,000 as non-employee Chairman of the Board. One-half of these retainers are paid in cash and one-half through awards of restricted stock under the 2004 Stock Plan. In addition, the Audit Committee Chairperson received an annual cash retainer of $20,000, the Nominating/Corporate Governance Committee Chairperson received an annual cash retainer of $5,625 and the Compensation Committee Chairperson received an annual cash retainer of $7,500. No fees are paid for Board or committee meetings attended except that if, in the opinion of the Chairman of the Board, circumstances require that an extra-ordinary number of Board meetings be held, non-employee directors will receive a meeting fee of $1,000 for each meeting attended thereafter. No such additional fees were paid during 2007.

Director Stock Ownership. The Board of Directors has adopted a policy that each non-employee director is expected to own, at a minimum, shares of common stock equal to three times the value of their annual retainer.

TRANSACTIONS WITH RELATED PARTIES

We are aware of no transactions with the Company involving over $120,000 since the beginning of 2007 in which any of our directors, executive officers, five percent shareholders, or certain of their relatives (related parties) had or will have a direct or indirect material interest. We recognize that transactions between the Company and its related parties can present potential or actual conflicts of interest and may create the appearance that decisions may not be based on considerations in the best interests of the Company. As a general matter, and in accordance with the Company s Code of Ethical Business Conduct and its Conflicts of Interest Policy (both of which are available on our website at www.rtiintl.com), the Company s preference is to avoid such transactions. Nevertheless, we recognize that there are situations where such transactions may be in, or may not be inconsistent with, the best interests of RTI. We monitor the potential for such transactions and ask our directors and executive officers to confirm, at least annually, that they are not aware of any related-party transactions. In the event that recent transactions are entered into or potential transactions are being contemplated, it is our unwritten policy to discuss the merits of such transactions with the disinterested members of the Board of Directors and seek ratification or approval for any such transaction.

OTHER INFORMATION

Other business at the Annual Meeting

We do not expect any business to come up for shareholder vote at the meeting other than the items described in the Notice of Annual Meeting. If other business is properly raised, your proxy card authorizes the people named as proxies to vote as they think best.

Outstanding shares

On March 1, 2008, 23,123,631 shares were outstanding. Restricted stock awards, whether vested or unvested, are included in shares outstanding.

How we solicit proxies

In addition to this mailing, RTI employees may solicit proxies personally, electronically or by telephone. RTI pays the costs of soliciting this proxy. We also reimburse brokers and other nominees for sending these materials to you and getting your voting instructions.

Shareholder proposals

The deadline for the submission of shareholder proposals that are intended to be considered for inclusion in the Company s proxy statement for next year s meeting is November 29, 2008. Additionally, the Board-appointed proxies will have discretionary authority to vote on any proposals presented by shareholders at the annual meeting from the floor unless notice of the intent to make such proposal is received on or before February 12, 2009.

Shareholders wishing to recommend candidates in writing to serve as directors for the consideration of the Nominating/Corporate Governance Committee should send such recommendations to the Corporate Secretary, RTI International Metals, Inc., Westpointe Corporate Center One, 1550 Coraopolis Heights Road, 5th Floor, Pittsburgh, PA 15108-2973.

Shareholder and other interested party communications

Shareholders, and any other interested party, who wish to communicate with the Chairman, one or more of the other non-management directors, or the non-management directors as a group should mark the communication Personal and Confidential and address it to the Chairman, RTI International Metals Inc., Westpointe Corporate Center One, 1550 Coraopolis Heights Road, 5th Floor, Pittsburgh, PA 15108-2973.

Board Attendance at Annual Meeting

RTI Board members are expected to attend RTI s Annual Meetings of Shareholders. All of the candidates for election at the 2007 Annual Meeting attended such meeting.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee currently consists of Messrs. Andersson, Booker and Gedeon and Ms. Holiday. None of the current members of the Committee has ever been an officer or employee of ours or any of our subsidiaries.

None of our executive officers serve or have served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our Compensation Committee.

Section 16(a) Beneficial Ownership Reporting Compliance

Officers and Directors of RTI are required by Section 16(a) of the Securities Exchange Act of 1934 to report certain transactions in the Company s securities, typically within two business days of the

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transaction. Based upon a review of filings with the Securities Exchange Commission, written representations that no other reports were required, and on RTI s records, the Company believes that all such reports were timely filed for transactions that occurred in 2007, except for one open market purchase of common stock by Mr. Gallatin that the Company failed to timely report on Mr. Gallatin s behalf.

Available Information

A copy of RTI s Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as filed with the Securities Exchange Commission, is available to shareholders. A shareholder may obtain a copy of the Form 10-K free of charge on RTI s website (www.rtiintl.com), on the Securities Exchange Commission s website (www.sec.gov) or by sending a written request to the Corporate Secretary at RTI International Metals, Inc., Westpointe Corporate Center One, 1550 Coraopolis Heights Road, 5th Floor, Pittsburgh, PA 15108-2973. For written requests, a copy of the Form 10-K will be furnished free of charge. Copies of any requested exhibits thereto will be furnished upon payment of a reasonable charge limited to RTI s costs of providing such copies.

By Order of the Board of Directors

Chad Whalen
Secretary

Dated: March 28, 2008

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VOTE BY TELEPHONE c/o National City Bank Shareholder Services Operations Have your proxy card available when you call Locator 5352 P. O. Box 94509 Toll-Free 1-888-693-8683 using a touch-tone Cleveland, OH 44101-4509 phone and follow the simple instructions to record your vote. VOTE BY INTERNET Have your proxy card available when you access the website www.cesvote.com and follow the simple instructions to record your vote. VOTE BY MAIL Please mark, sign and date your proxy card and return it in the postage-paid envelope provided or return it to: National City Bank, P.O. Box 535300, Pittsburgh, PA 15253-9837. Vote by Telephone Vote by Internet Vote by Mail Call Toll-Free using a Access the Website and Return your proxy touch-tone telephone: cast your vote: in the postage-paid 1-888-693-8683 www.cesvote.com envelope provided Vote 24 hours a day, 7 days a week! Your telephone or Internet vote must be received by 6:00 a.m. Eastern Daylight Time on April 25, 2008 to be counted in the final tabulation. If you vote by telephone or over the Internet, do not mail your proxy card. I Proxy card must be signed and dated below. D Please fold and detach card at perforation before mailing. D RTI INTERNATIONAL METALS, INC. 1550 CORAOPOLIS HEIGHTS ROAD, 5TH FLOOR, PITTSBURGH, PA 15108-2973 PROXY FOR 2008 ANNUAL MEETING SOLICITED ON BEHALF OF THE DIRECTORS OF RTI INTERNATIONAL METALS, INC. This Proxy Card, when properly executed, will be voted in the manner directed herein. If no direction to the contrary is indicated, it will be voted FOR all Proposals. Dated: , 2008 Signature(s) Signature(s) Please sign exactly as your name appears hereon. When signing as fiduciary or corporate officer, give full title. Joint owners must both sign. SHAREHOLDERS ARE REQUESTED TO COMPLETE, DATE AND SIGN THIS PROXY CARD AND TO RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED.

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YOUR VOTE IS IMPORTANT Regardless of whether you plan to attend the Annual Meeting of Shareholders, you can be sure your shares are represented at the meeting by promptly returning your proxy in the enclosed envelope. Proxy card must be signed and dated on the reverse side. D Please fold and detach card at perforation before mailing. D RTI INTERNATIONAL METALS, INC. PROXY The undersigned hereby appoints ROBERT M. HERNANDEZ, DAWNE S. HICKTON AND CHAD WHALEN, or any of them, proxies to vote all shares of Common Stock which the undersigned is entitled to vote, with all powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of RTI International Metals, Inc. on April 25, 2008, and any adjournments thereof, upon such matters as may properly come before the meeting. The Board of Directors recommends a Vote FOR: Proposal No. 1. Election of Directors: (01) Craig R. Andersson (02) Daniel I. Booker (03) Donald P. Fusilli, Jr. (04) Ronald L. Gallatin (05) Charles C. Gedeon (06) Robert M. Hernandez (07) Dawne S. Hickton (08) Edith E. Holiday (09) Michael C. Wellham (10) James A. Williams FOR all nominees listed above WITHHOLD (except as marked to the contrary below) authority to vote for ALL nominees listed above INSTRUCTIONS: To withhold authority to vote for one or more nominees, write his or her name(s) in the space below: Proposal No. 2. Ratification of appointment of PricewaterhouseCoopers LLP as independent registered public accountants for 2008. FOR AGAINST ABSTAIN PLEASE COMPLETE, DATE AND SIGN THE REVERSE SIDE.