

Ps.8,000,000,000



América Móvil, S.A. de C.V.
8.46% Senior Notes Due 2036
Unconditionally Guaranteed by
Radiomóvil Dipsa, S.A. de C.V.

We are offering Ps.8,000,000,000 aggregate principal amount of our 8.46% senior notes due 2036. The notes will mature on December 18, 2036. Interest on the notes will be payable on June 18 and December 18 of each year, beginning on June 18, 2007. Payment of principal, interest, additional amounts and any other amounts in respect of the notes will be made in U.S. dollars, unless a holder of notes elects to be paid in Mexican pesos as described in this offering memorandum.

Our wholly-owned subsidiary Radiomóvil Dipsa, S.A. de C.V., also known as "Telcel," has irrevocably and unconditionally agreed to guarantee the payment of principal, interest, additional amounts and any other amounts in respect of the notes.

The notes will rank equally in right of payment with all of our other unsecured and unsubordinated debt obligations. The guarantees will rank equally in right of payment with all of Telcel's other unsecured and unsubordinated debt obligations.

In the event of certain changes in the applicable rate of Mexican withholding taxes on interest, we may redeem the notes, in whole but not in part, at a price equal to 100% of their principal amount plus accrued interest and any additional amounts due thereon to the redemption date.

We and Telcel have agreed to file an exchange offer registration statement pursuant to a registration rights agreement.

Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market ("EuroMTF").

Investing in the notes involves risks. See "Risk Factors" beginning on page 12.

Issue Price: 100% plus accrued interest, if any, from December 18, 2006

Purchasers of notes may make the payment of the issue price in U.S. dollars (based on an exchange rate on December 7, 2006 of Ps.10.8970 per U.S.\$1.00) or in Mexican pesos.

The notes have not been registered under the U.S. Securities Act of 1933, as amended. Accordingly, we are offering the notes only (1) to qualified institutional buyers under Rule 144A and (2) outside the United States in compliance with Regulation S. For certain restrictions on transfer of the notes, see "Transfer Restrictions" beginning on page 45.

THIS OFFERING MEMORANDUM IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES, OR "CNBV"). REGISTRATION OF THE NOTES WITH THE SPECIAL SECTION (SECCIÓN ESPECIAL) OF THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE CNBV DOES NOT CONSTITUTE A CERTIFICATION AS TO THE INVESTMENT VALUE OF THE NOTES OR OUR SOLVENCY. THE NOTES MAY NOT BE OFFERED OR SOLD IN MEXICO, ABSENT AN AVAILABLE EXEMPTION UNDER THE MEXICAN SECURITIES ACT (LEY DEL MERCADO DE VALORES). IN MAKING AN INVESTMENT DECISION, ALL INVESTORS, INCLUDING ANY MEXICAN CITIZEN WHO MAY ACQUIRE NOTES FROM TIME TO TIME, MUST RELY ON THEIR OWN EXAMINATION OF US AND TELCEL.

Delivery of the notes will be made in book-entry form through the facilities of Clearstream Banking, Société Anonyme and Euroclear Bank S.A./N.V. on or about December 18, 2006.

Joint Book-Running Managers

HSBC

UBS Investment Bank

Co-Managers

ING

Citigroup

Merrill Lynch & Co.

The date of this offering memorandum is December 7, 2006

TABLE OF CONTENTS

	<u>Page</u>
NOTICE TO NEW HAMPSHIRE RESIDENTS	iii
REVIEW BY U.S. SECURITIES AND EXCHANGE COMMISSION	iv
ENFORCEABILITY OF CIVIL LIABILITIES	iv
WHERE YOU CAN FIND MORE INFORMATION	v
INCORPORATION BY REFERENCE	v
PRESENTATION OF FINANCIAL INFORMATION	vi
EXCHANGE RATES	vii
FORWARD-LOOKING STATEMENTS	viii
SUMMARY	1
RISK FACTORS	12
USE OF PROCEEDS	15
RATIOS OF EARNINGS TO FIXED CHARGES	15
CAPITALIZATION	16
RECENT DEVELOPMENTS	18
DESCRIPTION OF NOTES	25
REGISTRATION RIGHTS	40
FORM OF NOTES, CLEARING AND SETTLEMENT	41
TRANSFER RESTRICTIONS	45
TAXATION	47
PLAN OF DISTRIBUTION	53
LEGAL MATTERS	56
INDEPENDENT AUDITORS	56
LISTING AND GENERAL INFORMATION	56
INDEX TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	F-1

You should rely on the information contained or incorporated by reference in this offering memorandum. We have not, and the initial purchasers have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the initial purchasers are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

This offering memorandum has been prepared by us solely for use in connection with the placement of the notes. We and the initial purchasers reserve the right to reject any offer to purchase for any reason.

Neither the Securities and Exchange Commission, or SEC, any state securities commission nor any other regulatory authority, has approved or disapproved the securities; nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

This offering memorandum is only being distributed to, and is only directed at, (1) persons who are outside the United Kingdom, (2) investment professionals falling within Article 19(5) of the Financial Services and Market Act 2000 (Financial Promotion) Order 2005, or the Order, or (3) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

We are offering to sell, and are seeking offers to buy, the notes only in jurisdictions where offers and sales are permitted. This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this offering memorandum nor any sale made under it implies that there has been no change in our affairs or that the information contained or incorporated by reference in this offering memorandum is correct as of any date after the date of this offering memorandum.

You must:

- comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes; and
- obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; and neither we, Telcel nor the initial purchasers shall have any responsibility therefor.

The notes are subject to restrictions on transfer. See “Transfer Restrictions.”

You acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;
- you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; and
- no person has been authorized to give any information or to make any representation concerning us, Telcel or the notes, other than as contained or incorporated by reference in this offering memorandum and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, Telcel or the initial purchasers.

In making an investment decision, you must rely on your own examination of us and Telcel and the terms of this offering, including the merits and risks involved.

We have taken reasonable care to ensure that the information contained or incorporated by reference in this offering memorandum is true and correct in all material respects and is not misleading in any material respect as of the date of this offering memorandum, and that there has been no omission of information which, in the context of the issuance of the notes, would make any statement of material fact herein misleading in any material respect, in light of the circumstances existing as of the date of this offering memorandum. We accept responsibility accordingly.

The initial purchasers are not making any representation or warranty, express or implied, as to the accuracy or completeness of the information contained or incorporated by reference in this offering memorandum. You should not rely upon the information contained or incorporated by reference in this offering memorandum, as a promise or representation, whether as to the past or the future. The initial purchasers have not independently verified any of such information and assume no responsibility for its accuracy or completeness.

None of us, Telcel and the initial purchasers, nor any of our and their respective representatives, is making any representation to you regarding the legality of an investment in the notes. You should consult with your own advisors as to legal, tax, business, financial and related aspects of an investment in the notes. You must comply

with all laws applicable in any place in which you buy, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals. None of us, Telcel and the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE UNIFORM SECURITIES ACT (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

REVIEW BY U.S. SECURITIES AND EXCHANGE COMMISSION

We will agree to file a registration statement with the SEC with respect to a registered exchange offer for the notes or a shelf registration statement with respect to resales of the notes. See “Registration Rights.” In the course of the review by the SEC of the registration statement, we may be required to make changes to information contained in this offering memorandum. Accordingly, comments by the SEC on the registration statement may require modification or reformulation of information contained or incorporated by reference in this offering memorandum.

ENFORCEABILITY OF CIVIL LIABILITIES

We and Telcel are corporations (*sociedades anónimas de capital variable*) organized under the laws of Mexico, with our principal places of business (*domicilios sociales*) in Mexico City. In addition, most of our and Telcel’s respective directors, officers and controlling persons, as well as certain experts named in this offering memorandum, reside outside the United States, and all or a substantial portion of their assets and our assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon these persons or to enforce against them, either inside or outside the United States, judgments obtained against them in U.S. courts, or to enforce in U.S. courts judgments obtained against them in courts in jurisdictions outside the United States, in each case, in any action predicated upon civil liabilities under the U.S. federal securities laws. Based on the opinion of Galicia y Robles, S.C., our Mexican counsel, there is doubt as to the enforceability against these persons in Mexico, whether in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the U.S. federal securities laws.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, including annual reports on Form 20-F, and other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. You may read and copy any materials filed with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Any filings we make electronically will be available to the public over the Internet at the SEC's web site at www.sec.gov and at our web site at www.americamovil.com. As is described under "Incorporation by Reference," we are incorporating by reference in this offering memorandum our annual report on Form 20-F for the year ended December 31, 2005. We are not, however, incorporating by reference in this offering memorandum any other reports, information or materials filed with the SEC or any other material from our website or any other source. The reference above to our website is an inactive textual reference to the uniform resource locator (URL) and is for your reference only.

We have agreed that, if we are not subject to the informational requirements of Sections 13 or 15(d) of the U.S. Securities and Exchange Act of 1934, or the Exchange Act, at any time while the notes constitute "restricted securities" within the meaning of the Securities Act, we will furnish to holders and beneficial owners of the notes and to prospective purchasers designated by such holders the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the notes.

INCORPORATION BY REFERENCE

Our annual report on Form 20-F for the year ended December 31, 2005 (File No. 001-16269), which we refer to as our 2005 Form 20-F, is incorporated by reference in this offering memorandum. In connection with our shareholders' consideration of our proposed merger with América Telecom, S.A. de C.V., or Amtel, we have prepared an Information Statement describing the transaction. The Information Statement is also incorporated by reference in this offering memorandum. Any statement contained in the 2005 Form 20-F or the Information Statement shall be deemed to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained in this offering memorandum modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. You may obtain a copy of our 2005 Form 20-F and the Information Statement free of charge by contacting us at our address or telephone number set forth under the caption "Summary."

PRESENTATION OF FINANCIAL INFORMATION

Our financial statements in this offering memorandum and our 2005 Form 20-F have been prepared in accordance with Mexican GAAP and presented in Mexican pesos. Mexican GAAP differs in certain respects from U.S. GAAP.

In connection with our shareholders' consideration of our proposed merger with América Telecom, S.A. de C.V., or Amtel, and in accordance with applicable Mexican regulations, we have published our unaudited condensed consolidated interim financial statements as of and for the ten months ended October 31, 2005 and 2006. Accordingly, we have included these financial statements in this offering memorandum. For further information on the Amtel merger, see "Recent Developments—Corporate Restructuring and Acquisition Activity."

Mexican GAAP requires restatement of all financial statements to constant Mexican pesos as of the date of the most recent balance sheet presented. Our audited consolidated financial statements and the other financial information appearing in our 2005 Form 20-F are therefore presented in constant Mexican pesos with purchasing power as of December 31, 2005, while our unaudited condensed consolidated interim financial statements as of and for the ten months ended October 31, 2005 and 2006 included in this offering memorandum are presented in constant Mexican pesos with purchasing power as of October 31, 2006. In order to facilitate comparison between the annual and interim financial information appearing in this offering memorandum, all such information, including information as of December 31, 2004 and 2005 and for the years ended December 31, 2003, 2004 and 2005, is presented in constant Mexican pesos as of October 31, 2006.

As a result of Mexican inflation during the first ten months of 2006, the purchasing power of one Mexican peso as of December 31, 2005 was equivalent to the purchasing power of Ps.1.03 as of October 31, 2006.

References in this offering memorandum to "U.S. dollars" or "U.S.\$" are to the lawful currency of the United States. References herein to "Mexican pesos" or "Ps." are to the lawful currency of Mexico.

This offering memorandum contains translations of various Mexican peso amounts into U.S. dollars solely for your convenience. We have translated these amounts at the exchange rate of Ps.10.7093 to U.S.\$1.00, which was the rate reported by Banco de México on October 30, 2006 for use on October 31, 2006. You should not construe these translations as representations by us that the nominal Mexican peso or constant Mexican peso amounts actually represent these U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. The exchange rate reported on December 7, 2006 by Banco de México was Ps.10.8558 to U.S.\$1.00.

EXCHANGE RATES

Mexico has a free market for foreign exchange, and the Mexican government allows the Mexican peso to float freely against the U.S. dollar.

The following table sets forth, for the periods indicated, the high, low, average and period-end noon buying rate in New York City for cable transfers in Mexican pesos published by the Federal Reserve Bank of New York, expressed in Mexican pesos per U.S. dollar. The rates have not been restated in constant currency units and, therefore, represent nominal historical figures.

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Average(1)</u>	<u>Period End</u>
2000	10.09	9.18	9.47	9.62
2001	9.97	8.95	9.33	9.16
2002	10.43	9.00	9.75	10.43
2003	11.41	10.11	10.85	11.24
2004	11.64	10.81	11.31	11.15
2005	11.41	10.41	10.87	10.63
2006 (through December 7):				
January	10.64	10.44	10.54	10.44
February	10.53	10.43	10.48	10.45
March	10.95	10.46	10.75	10.90
April	11.16	10.86	11.05	10.09
May	11.31	10.84	11.09	11.29
June	11.46	11.28	11.39	11.29
July	11.18	10.87	10.98	10.92
August	11.02	10.74	10.87	10.91
September	11.10	10.83	10.98	10.98
October	11.05	10.70	10.88	10.77
November	11.05	10.75	10.91	10.75
December (through December 7)	10.99	10.86	10.91	10.87

- (1) The average of month-end average rates during the period, and, in the case of monthly periods, the daily average rate during the month.

On December 7, 2006 the noon buying rate was Ps.10.87 per U.S.\$1.00.

The noon buying rate is not the same as the exchange rate used to translate certain of our financial statements presented in this offering memorandum or for the purchase of the notes and may not be the same exchange rates used for payment of principal, interest, additional amounts or any other amounts due in respect of the notes. See “Presentation of Financial Information” and “Description of Notes—General—Payment Currency.”

FORWARD-LOOKING STATEMENTS

This offering memorandum, including our 2005 Form 20-F, contains forward-looking statements. Examples of forward-looking statements include the following:

- projections of operating revenues, net income (loss), net income (loss) per share, capital expenditures, indebtedness levels, dividends, capital structure or other financial items or ratios;
- statements of our plans, expectations, objectives or goals, including those relating to competition, acquisitions, regulation and rates;
- statements about our future economic performance or that of Mexico or other countries in which we operate;
- statements about competitive developments in the telecommunications sector in each of the markets where we currently operate or into which we may expand;
- statements about other factors or trends affecting the telecommunications industry generally and our financial condition in particular; and
- statements of assumptions underlying the foregoing statements.

We use words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should” and other similar expressions to identify forward-looking statements, but they are not the only way we identify such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in our forward-looking statements. These factors, some of which are discussed under “Risk Factors” beginning on page 12 of this offering memorandum and “Item 3—Key Information—Risk Factors” in our 2005 Form 20-F, include economic and political conditions and government policies in Mexico, Brazil or elsewhere, inflation rates, exchange rates, regulatory developments, new investment opportunities, technological improvements, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made. We do not undertake any obligation to update such statements in light of new information or future developments.

You should evaluate any statements made by us in light of these important factors.

SUMMARY

This summary highlights selected information from this offering memorandum and does not contain all of the information that may be important to you. You should carefully read this entire offering memorandum, including the risk factors and financial statements in this offering memorandum and in our 2005 Form 20-F.

We are the largest provider of wireless communications services in Latin America, based on the number of subscribers. As of October 31, 2006, we had 115.9 million subscribers in fourteen countries, compared to 85.7 million as of October 31, 2005. On an equity basis (representing our economic interest in our subsidiaries' subscribers), we had 115.5 million subscribers as of October 31, 2006. Because our focus is on Latin America, a substantial majority of our wireless subscribers consists of prepaid customers. We also had an aggregate of approximately 2.1 million fixed lines in Guatemala, Nicaragua and El Salvador as of October 31, 2006, making us the largest fixed-line operator in Central America, based on the number of subscribers.

Our principal operations are:

- *Mexico.* Through Radiomóvil Dipsa, S.A. de C.V., which operates under the name “Telcel,” we provide cellular telecommunications service in all nine regions in Mexico. As of October 31, 2006, Telcel had 41.2 million subscribers, and Telcel is the largest provider of wireless services in Mexico, based on the number of subscribers.
- *Argentina.* In 2003, we acquired CTI Holdings S.A., or CTI, which provides nationwide wireless services, though its subsidiaries, in Argentina. CTI operates under the “CTI Móvil” brand. With approximately 9.4 million subscribers as of October 31, 2006, CTI is the second largest wireless operator in Argentina, based on the number of subscribers.
- *Brazil.* With approximately 22.5 million subscribers as of October 31, 2006, we are one of the three largest providers of wireless services in Brazil, based on the number of subscribers. We operate in Brazil through our subsidiaries, BCP S.A. and Americel S.A., under a unified brand name, “Claro.” Our network covers the principal cities in Brazil (including São Paulo and Rio de Janeiro).
- *Central America.* We provide fixed-line and wireless services in Guatemala, El Salvador and Nicaragua through our subsidiaries, Telecomunicaciones de Guatemala S.A., or Telgua, Compañía de Telecomunicaciones de El Salvador, S.A. de C.V., or CTE, and Empresa Nicaragüense de Telecomunicaciones S.A., or ENITEL. We also provide wireless services in Honduras through our subsidiary, Servicios de Comunicaciones de Honduras, S.A. de C.V., or Sercom Honduras. In September 2006, our Central American subsidiaries began offering wireless services under the “Claro” brand. As of October 31, 2006, our subsidiaries had 5.4 million wireless subscribers in Central America.
- *Chile.* In August 2005, we began providing wireless services in Chile through Claro Chile, S.A., or Claro Chile (formerly known as Smartcom, S.A.). With approximately 2.2 million wireless subscribers as of October 31, 2006, Claro Chile is the third largest wireless operator in Chile, based on the number of subscribers. Claro Chile operates under the “Claro” brand.
- *Colombia.* We provide wireless services in Colombia through Comcel, S.A. under the “Comcel” brand. With approximately 19.0 million subscribers as of October 31, 2006, we are the largest wireless operator in the country, based on the number of subscribers.
- *Dominican Republic.* On December 1, 2006, we consummated our acquisition of Verizon Dominicana. Verizon Dominicana is the largest telecommunications service provider in the Dominican Republic with over 2.1 million wireless subscribers and 750,000 wireline and broadband subscribers as of September 30, 2006. See “—Recent Developments” below for further details on this acquisition.

- *Ecuador.* With approximately 5.4 million subscribers as of October 31, 2006, Consorcio Ecuatoriano de Telecomunicaciones S.A., or Conecel, our subsidiary in Ecuador, is the largest wireless operator in Ecuador, based on the number of subscribers. Conecel operates under the “Porta” brand.
- *Paraguay.* In July 2005, we began providing wireless services in Paraguay. As of October 31, 2006, AMX Paraguay, S.A., our Paraguayan subsidiary, had approximately 364,000 subscribers and was the fourth largest operator in the country, based on number of subscribers. We offer services in Paraguay under the “CTI Móvil” brand.
- *Uruguay.* In December 2004, we began providing wireless services in Uruguay. As of October 31, 2006, our Uruguayan subsidiary, AM Wireless Uruguay, S.A. had approximately 355,000 subscribers and was the third largest operator in the country, based on number of subscribers. We offer services in Uruguay under the “CTI Móvil” brand.
- *Peru.* Since August 2005, we have offered wireless services in Peru, most recently under the “Claro” brand. América Móvil Perú S.A.C., our Peruvian subsidiary, had approximately 2.9 million wireless subscribers and was the second largest operator in Peru, based on number of subscribers as of October 31, 2006.
- *United States.* Our U.S. subsidiary, TracFone Wireless Inc., is engaged in the sale and distribution of prepaid wireless services and wireless phones throughout the United States, Puerto Rico and the U.S. Virgin Islands. It had approximately 7.2 million subscribers as of October 31, 2006.

Recent Developments

Corporate Restructuring and Acquisition Activity

Purchase of Minority Interest in Telecom Americas

In October 2006, the former minority shareholder of our subsidiary, Telecom Americas, exercised its right to sell us its remaining shares in the company for U.S.\$172.5 million. We now own 100% of the share capital of Telecom Americas, which, in turn, indirectly owns 99.9% of the share capital of BCP, our principal operating subsidiary in Brazil.

Merger with Amtel

On November 7, 2006, we announced our plan to merge with our controlling shareholder, América Telecom, S.A. de C.V., or Amtel, by offering 4,07128 América Móvil shares for each Amtel share. As of October 31, 2006, Amtel held 14,630,000,000 of our shares, representing 40.74% of our outstanding capital stock (consisting of 7,587,453,264 Class AA shares and 7,042,546,736 Series L shares). As of October 31, 2006, Amtel’s only significant asset, other than cash and cash equivalents, was our capital stock. If the merger is consummated, we will assume Amtel’s net indebtedness. As of October 31, 2006, Amtel had cash and cash equivalents of approximately Ps.815.6 million and total indebtedness of approximately Ps.13,894.9 million. As of such date, Amtel also had obligations under derivative contracts (principally U.S. dollar-Mexican peso forwards) having a negative fair value of approximately Ps.438.7 million and accrued tax liabilities of Ps.118.3 million.

If consummated, the merger will result in the elimination of the management fee that we currently pay to Amtel. The merger also will increase by approximately Ps.12,500 million the amount we may use under applicable Mexican tax rules (*cuenta de utilidad fiscal neta*, or CUFIN) to repurchase shares or pay dividends without incurring additional taxes.

If the merger is consummated, Amtel’s shareholders will receive shares of each series of our capital stock proportionally, based on the shares transferred pursuant to the merger or, to the extent practicable, in other

proportions among Amtel's shareholders, upon their request and subject to availability based on the limits and ownership restrictions applicable to each series of our stock pursuant to our bylaws. The merger also will result in a reduction in our share capital of approximately 603,000,000 Series L shares, in respect of the net indebtedness that we will assume as part of the merger.

We expect to consummate the merger during the first quarter of 2007, subject to the approval of our shareholders and Amtel shareholders, as well as Mexican regulatory approval and other customary conditions.

Acquisitions

In April 2006, we agreed to acquire the interests of Verizon Communications Inc. in Verizon Dominicana, C. por A., or Verizon Dominicana, and Telecomunicaciones de Puerto Rico, Inc., or Telpri, and a 50-50 joint venture between us and our affiliate Teléfonos de México agreed to acquire the interest of Verizon Communications in Compañía Anónima Nacional de Teléfonos de Venezuela, or CANTV.

On December 1, 2006, we consummated the acquisition of a 100% interest in Verizon Dominicana, for a purchase price of \$2.4 billion (after net debt adjustments). Verizon Dominicana is the largest telecommunications service provider in the Dominican Republic, with over 750,000 wireline and broadband subscribers and 2.1 million wireless subscribers as of September 30, 2006.

The closing of the Telpri and CANTV transactions has been delayed because of additional time required to obtain regulatory approvals. Although we cannot give you any assurances, we expect to close the Telpri acquisition by the end of the first quarter of 2007, following receipt of regulatory approvals.

The purchase agreement for CANTV has been extended through December 29, 2006. The prospects for obtaining Venezuelan regulatory approvals on which the closing of the CANTV transaction is conditioned are uncertain, and we cannot predict whether they will be obtained before the purchase agreement expires or whether the parties will agree to extend the purchase agreement.

We continue to look for other investment opportunities in telecommunication companies in Latin America and the Caribbean, including in markets where we are already present, and we often have several possible acquisitions under consideration. For example, we may pursue further market consolidation opportunities in Brazil depending on their terms and conditions, including by participating in any eventual sale by Telecom Italia of its cellular assets in Brazil. Any future acquisitions and related financings could have a material effect on our business, results of operations and financial condition, but we cannot give any assurances that we will complete any of them.

Mexico's "Calling Party Pays" System

Since 1999, Mexico has used a "calling party pays" system for cellular calls within a local area, under which subscribers pay only for outgoing calls. In April 2006, the Mexican Federal Telecommunications Commission, or Cofetel, extended the "calling party pays" system to national and international long-distance calls. Under the new regulations, long-distance calls received by cellular subscribers are paid for by the calling parties, and cellular operators do not charge airtime fees to customers receiving calls, except for roaming and certain long-distance fees applicable when subscribers receive calls outside their local areas. Pursuant to the regulations, long-distance operators and cellular operators had to negotiate interconnection agreements to establish the terms and conditions for the implementation of the new system, including applicable interconnection fees, prior to October 2006. Effective November 4, 2006, Telmex and certain long-distance operators, on the one hand, and all cellular operators in Mexico, on the other hand, reached an agreement establishing the conditions under which the system will operate. We believe these regulations will increase revenues from incoming international calls, as we believe that the regulations will permit a significant number of pre-paid subscribers, who would have otherwise not been able to afford the fees applicable to long-distance calls, to receive such calls.

In September 2006, Cofetel ruled on the challenges presented by certain fixed-line operators to the framework for interconnection fees applicable under the local “calling party pays” system that had been agreed in December 2004 by Telcel with certain other telecommunications service providers. Cofetel established a framework of interconnection fees applicable to the operators that challenged the previous framework. Under the resolution, interconnection fees are: Ps.1.23 per minute for the period between September 2006 and December 2007; Ps.1.12 per minute for 2008; Ps.1.00 per minute for 2009; and Ps.0.90 per minute for 2010. In addition, Cofetel ruled that starting in 2007, interconnection fees would be charged based on the actual number of seconds of use, rather than by rounding to the next minute, as had been the practice. In order to mitigate the effects of this change, Cofetel ruled that wireless operators were entitled to a surcharge of 25% in 2007, 18% in 2008 and 10% in 2009 over the interconnection fees billed to fixed-line operators.

We are currently applying the new tariff framework established by Cofetel; however, Telcel does not agree with Cofetel’s resolution and has initiated judicial proceedings (*juicio de amparo*) to challenge the resolution. We have obtained an injunction (*suspensión definitiva*) suspending the effects of some aspects of the resolution, but the injunction (as requested by us) does not suspend the application of the new tariff scheme, a suspension in respect of which would have exposed us to the risk of potentially having to return collected interconnection fees to other operators. We cannot predict the outcome of these proceedings.

Although the new tariff framework imposed by Cofetel will reduce Telcel’s revenues from interconnection fees paid by fixed-line operators as compared to the prior framework, we do not currently anticipate that the new tariff framework will have a material adverse effect on our consolidated revenues. However, we cannot give you assurances regarding the ultimate impact of the changes to the Mexican “calling party pays” system on our results of operations given the current uncertainty regarding the terms of the system that will be ultimately applicable to us.

Our principal executive offices are at Lago Alberto No. 366, Edificio Telcel I, Piso 2, Colonia Anáhuac, C.P. 11320, México D.F., México. Our telephone number is (5255) 2581-4411.

Summary of the Offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, see “Description of Notes” in this offering memorandum.

Issuer	América Móvil, S.A. de C.V.
Guarantor	Radiomóvil Dipsa, S.A. de C.V. (also known as “Telcel”).
Notes offered	Ps.8,000,000,000 aggregate principal amount of 8.46% Senior Notes due 2036.
Issue Price	100% of the principal amount of the notes. The issue price may be paid in U.S. dollars based on an exchange rate on December 7, 2006 of Ps.10.8970 per U.S.\$1.00. Alternatively, the issue price may be paid in Mexican pesos.
Maturity	December 18 , 2036.
Interest rate	The notes will bear interest at the rate of 8.46% per year from December 18, 2006.
Interest payment dates	Interest on the notes will be payable semi-annually on June 18 and December 18 of each year, beginning on June 18, 2007.
Payment currency	<p>Payment of principal, interest, additional amounts and any other amounts due in respect of the notes will be made, except as provided below, in U.S. dollars in amounts determined by the calculation agent by translating the Mexican peso amounts into U.S. dollars at the Settlement Rate on the applicable Rate Calculation Date. See “Description of Notes—General—Payment Currency—Payment in U.S. Dollars.”</p> <p>A holder of the notes may elect to receive payments in Mexican pesos by providing notice as set forth under “Description of Notes—General—Payment Currency—Election for Payment in Mexican Pesos.”</p> <p>We anticipate that S.D. Indeval S.A. de C.V., <i>Institución para el Depósito de Valores</i> (“Indeval”) will elect to receive payments in Mexican pesos (rather than U.S. dollars), and, to the extent Indeval so elects, holders who own beneficial interests in the notes through Indeval will receive Mexican pesos. See “Form of Notes, Clearing and Settlement—Indeval.”</p>
Guarantees	Payments of principal, interest, additional amounts and all other amounts in respect of the notes will be irrevocably and unconditionally guaranteed by Telcel.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank equally in right of payment with all of our other unsecured

and unsubordinated debt. The guarantees will be unsecured and unsubordinated obligations of Telcel and will rank equally in right of payment with all other unsecured and unsubordinated debt of Telcel. The notes and the guarantees will be effectively subordinated to all of our and Telcel's existing and future secured obligations and to all existing and future indebtedness of our subsidiaries other than Telcel. The notes do not restrict our ability or the ability of Telcel or our other subsidiaries to incur additional indebtedness in the future. As of October 31, 2006, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness and guarantees of subsidiary indebtedness of approximately Ps.74,879 million (U.S.\$6,992 million). As of October 31, 2006, Telcel had, on an unconsolidated basis, unsecured and unsubordinated indebtedness and guarantees of parent company and subsidiary indebtedness of approximately Ps.70,997 million (U.S.\$6,630 million). As of such date, our operating subsidiaries other than Telcel had indebtedness of Ps.8,557 million (U.S.\$799 million).

Payment of additional amounts	If you are not a resident of Mexico for tax purposes, payments of interest on the notes to you will generally be subject to Mexican withholding tax at a rate of 4.9% or, under certain circumstances, 10%. See "Taxation—Mexican Tax Considerations." We will pay additional amounts in respect of those payments of interest so that the amount you receive after Mexican withholding tax is paid equals the amount that you would have received if no such Mexican withholding tax had been applicable, subject to some exceptions as described under "Description of Notes—Payments of Additional Amounts."
Tax redemption	If, due to changes in Mexican laws relating to Mexican withholding taxes applicable to payments of interest, we are obligated to pay additional amounts on the notes in excess of those attributable to a Mexican withholding tax rate of 4.9%, we may redeem the outstanding notes in whole (but not in part) at any time, at a price equal to 100% of their principal amount plus accrued interest and any additional amounts due thereon to the redemption date.
Use of proceeds	We intend to use the net proceeds from the sale of the notes for general corporate purposes.
Further issuances	We may, from time to time without the consent of holders of the notes, issue additional notes on the same terms and conditions as the notes which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes.
Form and denomination	The notes will be issued only in registered form without coupons and in denominations of Ps.1,000,000 (equivalent to approximately U.S.\$91,768 based on an exchange rate on December 7, 2006 of Ps.10.8970 per U.S.\$1.00) principal amount and integral multiples of Ps.100,000 (equivalent to approximately U.S.\$9,177 based on such exchange rate) principal amount in excess thereof.

The notes sold in the United States in reliance on Rule 144A will be evidenced by a note in global form, or the “Restricted Global Note.” The notes sold outside the United States in reliance on Regulation S will be evidenced by a separate note in global form, or the “Regulation S Global Note.” We will not issue certificated notes to you except in limited circumstances described in this offering memorandum. Beneficial interests in the global notes will be shown on, and transfers of beneficial interest in the global notes will be made through, records maintained at Clearstream Banking, Société Anonyme and Euroclear Bank S.A./N.V.

Transfer restrictions The notes and the guarantees have not been registered under the Securities Act and are subject to restrictions on transfer as described under “Transfer Restrictions.”

Registration rights We and Telcel have agreed to file in the future a registration statement with the SEC with respect to new notes and related guarantees, which we refer to as the “exchange notes,” having terms substantially identical to the notes and guarantees offered hereby but without transfer restrictions or provisions for payment of additional interest, as described below. We have also agreed to use our reasonable best efforts to cause the registration statement to become effective and, upon the registration statement becoming effective, to offer to holders of the notes the opportunity to exchange their notes for an equal principal amount of the exchange notes. Under certain circumstances, we may instead file a registration statement to cover resales of the notes by the holders. Each holder of notes that wishes to participate in the exchange of the notes for exchange notes will be required to make written representations. Any holder that is a broker-dealer will be required to deliver a copy of the prospectus included in the registration statement in connection with any resale of exchange notes. If we fail to satisfy these registration rights obligations by November 30, 2007, the annual interest rate applicable to each series of affected notes will, until such registration rights are satisfied, be increased by 0.50% per year, as described under “Registration Rights.”

Listing Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. However, even if admission to listing is obtained, we will not be required to maintain this listing.

Trustee, registrar and principal paying agent and transfer agent . . . The Bank of New York (as successor to JPMorgan Chase Bank, N.A.).

Calculation agent The Bank of New York.

Luxembourg paying agent and transfer agent The Bank of New York (Luxembourg) S.A.

Luxembourg listing agent The Bank of New York (Luxembourg) S.A.

Governing law The indenture, the supplemental indenture relating to the notes, and the notes and guarantees will be governed by the laws of the State of New York.

Risk factors See “Risk Factors” beginning on page 12 of this offering memorandum and page 6 of the 2005 Form 20-F for a discussion of factors you should carefully consider before deciding to invest in the notes.

Summary Consolidated Financial and Operating Information

The following table presents summary consolidated financial and operating information of América Móvil and summary unconsolidated financial and operating information of Telcel as of the dates and for the periods indicated.

Information as of December 31, 2004 and 2005 and for the years ended December 31, 2003, 2004 and 2005 has been derived from our audited consolidated financial statements. Such information should be read in conjunction with, and is qualified by reference to, such financial statements and the notes thereto, which are included in our 2005 Form 20-F, which is incorporated by reference herein. Information as of and for the ten months ended October 31, 2005 and 2006 has been derived from, should be read in conjunction with and is qualified in its entirety by reference to, our unaudited condensed consolidated interim financial statements and the notes thereto, which are included elsewhere in this offering memorandum. You should read the information below in conjunction with “Item 5—Operating and Financial Review and Prospects” in our 2005 Form 20-F, which is incorporated by reference herein, as well as “Recent Developments—Results of Operations for the Ten-Month Periods Ended October 31, 2005 and 2006” herein.

Mexican GAAP requires restatement of all financial statements to constant Mexican pesos as of the date of the most recent balance sheet presented. Our audited consolidated financial statements and the other financial information appearing in our 2005 Form 20-F are therefore presented in constant Mexican pesos with purchasing power as of December 31, 2005, while our unaudited condensed consolidated interim financial statements as of and for the ten months ended October 31, 2005 and 2006 included in this offering memorandum are presented in constant Mexican pesos with purchasing power as of October 31, 2006. In order to facilitate comparison between the annual and interim financial information appearing in this offering memorandum, all such information, including information as of December 31, 2004 and 2005 and for the years ended December 31, 2003, 2004 and 2005, is presented in constant Mexican pesos as of October 31, 2006.

As a result of Mexican inflation during the first ten months of 2006, the purchasing power of one Mexican peso as of December 31, 2005 was equivalent to the purchasing power of Ps.1.03 as of October 31, 2006.

Our audited consolidated financial statements included in our 2005 Form 20-F and our unaudited condensed consolidated interim financial statements have been prepared in accordance with Mexican GAAP and presented in Mexican pesos. Mexican GAAP differs in certain respects from U.S. GAAP. Note 20 to our audited consolidated financial statements provides a description of the principal differences between Mexican GAAP and U.S. GAAP, as they relate to us; a reconciliation to U.S. GAAP of our operating income, net income and total shareholders' equity; and a condensed statement of our cash flows under U.S. GAAP.

Pursuant to Mexican GAAP, in our financial statements and the selected financial information set forth below:

- nonmonetary assets (including plant, property and equipment) in Mexico and shareholders' equity are restated for inflation based on the Mexican National Consumer Price Index (*Índice Nacional de Precios al Consumidor*) and nonmonetary assets outside Mexico are restated for inflation based on the rate of inflation in the country of origin and converted into Mexican pesos using the prevailing exchange rate at the balance sheet date; and
- gains and losses in purchasing power from holding monetary liabilities or assets are recognized in income.

The effect of inflation accounting under Mexican GAAP has not been reversed in the reconciliation to U.S. GAAP of operating income, net income and total stockholders' equity, except with respect to the methodology for restatement of imported telephone plant. See Note 20 to our audited consolidated financial statements in the 2005 Form 20-F.

The financial information presented below includes translations of various Mexican peso amounts into U.S. dollars solely for your convenience. We have translated these amounts at the exchange rate of Ps.10.7093 to U.S.\$1.00, which was the rate reported by Banco de México on October 30, 2006 for use on October 31, 2006. You should not construe these translations as representations by us that the nominal Mexican peso or constant Mexican peso amounts actually represent these U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

In our opinion, the unaudited financial information presented below and in our unaudited condensed consolidated interim financial statements includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our financial condition and results of operation as of the dates and for the periods specified. Results for the ten months ended October 31, 2006 are not, however, necessarily indicative of results to be expected for the full year 2006.

	As of and for the year ended December 31,				As of and for the ten months ended October 31,		
	2003	2004	2005	2005	2005	2006	2006
	(millions of constant Mexican pesos as of October 31, 2006)(1)			(millions of U.S. dollars)	(millions of constant Mexican pesos as of October 31, 2006)(1)		(millions of U.S. dollars)
	(unaudited)						
AMÉRICA MÓVIL							
Income Statement Data:							
<i>Mexican GAAP</i>							
Operating revenues	Ps. 96,270	Ps. 143,494	Ps. 187,727	U.S.\$ 17,529	Ps. 151,006	Ps. 186,889	U.S.\$ 17,451
Operating costs and expenses	76,152	118,476	153,000	14,287	122,731	140,279	13,099
Including:							
Depreciation and amortization	15,546	19,802	21,915	2,046	17,869	21,599	2,017
Operating income	20,118	25,018	34,727	3,243	28,275	46,610	4,352
Comprehensive financing cost							
(income)	(2,378)	(2,032)	1,231	115	(802)	6	1
Net income (loss)	16,838	17,585	32,609	3,045	25,861	35,295	3,295
<i>U.S. GAAP(2)</i>							
Operating revenues(3)	Ps. 91,645	Ps. 134,921	Ps. 175,105	U.S.\$ 16,351	—	—	—
Operating costs and expenses	70,881	111,196	142,968	13,350	—	—	—
Depreciation and amortization	15,210	19,435	23,903	2,232	—	—	—
Operating income	20,764	23,725	32,137	3,001	—	—	—
Comprehensive financing cost							
(income)	(2,210)	(2,518)	(1,300)	(121)	—	—	—
Net income (loss)	16,690	17,745	32,586	3,043	—	—	—
Balance Sheet Data:							
<i>Mexican GAAP</i>							
Property, plant and equipment, net	Ps. 79,715	Ps. 90,426	Ps. 115,263	U.S.\$ 10,763	Ps. 115,166	Ps. 120,753	U.S.\$ 11,276
Total assets	168,003	207,256	237,032	22,133	234,865	276,086	25,780
Short-term debt and current portion of							
long-term debt	13,564	5,743	17,527	1,637	9,085	8,118	758
Long-term debt	41,675	59,707	53,107	4,959	54,418	70,566	6,589
Total shareholders' equity(4)	77,530	82,604	88,282	8,244	92,309	112,583	10,512
<i>U.S. GAAP(2)</i>							
Property, plant and equipment, net	Ps. 86,134	Ps. 101,290	Ps. 130,669	U.S.\$ 12,201	—	—	—
Total assets	177,647	221,680	255,465	23,855	—	—	—
Short-term debt and current portion of							
long-term debt	13,564	5,743	17,527	1,637	—	—	—
Long-term debt	41,675	59,707	53,107	4,959	—	—	—
Minority interest	5,712	1,766	1,053	98	—	—	—
Total shareholders' equity	79,721	90,672	101,978	9,522	—	—	—
Subscriber Data:							
Number of subscribers (in thousands)	43,725	61,107	93,329	—	85,652	115,862	—
Subscriber growth	38.4%	39.8%	52.7%	—	40.17%	24.14%	—
TELCEL							
Income Statement Data:							
(unconsolidated)							
<i>Mexican GAAP</i>							
Operating revenues	Ps. 58,772	Ps. 75,419	Ps. 88,942	U.S.\$ 8,305	Ps. 74,469	Ps. 68,004	U.S.\$ 6,350
Operating costs and expenses	47,136	58,949	91,538	8,548	61,891	71,887	6,713
Operating income	11,636	16,470	(2,596)	(242)	12,578	(3,883)	(363)

Balance Sheet Data:

(unconsolidated)

Mexican GAAP

Total assets	Ps. 67,423	Ps. 79,927	Ps. 102,048	U.S.\$ 9,529	Ps. 104,859	Ps. 90,777	U.S.\$ 8,476
Total debt with third parties	3,382	4,561	3,074	287	3,110	2,508	234
Total liabilities	56,133	61,092	72,025	6,725	86,496	65,481	6,114

Subscriber Data:

Number of subscribers (in thousands)	23,444	28,850	35,914	—	33,988	41,199	—
Subscriber growth	16.83%	23.1%	24.49%	—	17.81%	14.72%	—

- (1) Except subscriber data.
- (2) We have not prepared a reconciliation to U.S. GAAP of our operating income, net income or total shareholders' equity as of and for the ten-month periods ended October 31, 2005 and 2006
- (3) The differences between our operating revenues in accordance with Mexican GAAP and U.S. GAAP include (1) the application of EITF 01-9, "Accounting Consideration Given by a Vendor to a Customer," which we have applied to all fiscal years presented in this table and which resulted in a reclassification of certain commissions paid to distributors from commercial, administrative and general expenses under Mexican GAAP to reductions in operating revenues under U.S. GAAP, and (2) the application in 2004 of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables," which addresses certain aspects of accounting for sales that involved multiple revenue generating products and/or services sold under a single contractual agreement.
- (4) Includes minority interest as reported under Mexican GAAP.

RISK FACTORS

We have set forth risk factors in our 2005 Form 20-F, which is incorporated by reference in this offering memorandum. We have also set forth below certain risk factors that are related specifically to the securities offered hereby. You should carefully consider all these risk factors in addition to the other information presented or incorporated by reference herein.

Creditors of our subsidiaries will have priority over the holders of the notes in claims to assets of our subsidiaries other than Telcel

The notes will be our obligations and will be guaranteed by Telcel. We conduct substantially all of our business and hold substantially all of our assets through our subsidiaries. Creditors of our subsidiaries other than Telcel, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of our subsidiaries other than Telcel. As of October 31, 2006, our operating subsidiaries other than Telcel had indebtedness of Ps.8,557 million (U.S.\$799 million).

Our ability to meet our obligations, including under the notes, will depend, in significant part, on our receipt of cash dividends, advances and other payments from our subsidiaries.

If the Mexican peso depreciates against the U.S. dollar, the effective yield on the notes will decrease below the interest rate on the notes, and the amount payable at maturity may be less than your investment, resulting in a loss to you

Although the notes will be denominated in Mexican pesos, interest and principal on the notes will be payable in U.S. dollars (unless a holder elects to be paid in Mexican pesos as further described herein). The amounts of such U.S. dollar payments will depend on the exchange rate between the Mexican peso and the U.S. dollar immediately prior to the time of payment. Exchange rates between the U.S. dollar and the Mexican peso have varied significantly from year to year and period to period. Historical Mexican peso-U.S. dollar exchange rates are presented under "Exchange Rates" herein. However, historical exchange rates are not necessarily indicative of future fluctuations in rates and should not be relied upon as indicative of future trends.

Exchange rates are unpredictable and can be volatile. If the Mexican peso depreciates against the U.S. dollar, the effective U.S. dollar yield on the notes will decrease below the interest rate on the notes and the amount payable on the notes at maturity may be less than your investment, resulting in a loss to you. Depreciation of the Mexican peso against the U.S. dollar may also adversely affect the market value of the notes.

Mexican governmental policy or action could adversely affect the exchange rate between the Mexican peso and the U.S. dollar and, consequently, an investment in the notes

Mexican governmental policy or action could adversely affect the Mexican peso-U.S. dollar exchange rate, which may, in turn, negatively affect the market value of the notes, as well as the yield on the notes and the amount payable on the notes at maturity.

Even in the absence of governmental policy or action directly affecting exchange rates, political or economic developments in Mexico or elsewhere could lead to significant and sudden changes in the exchange rate between the Mexican peso and the U.S. dollar.

Judgments of Mexican courts enforcing our obligations under the notes would be payable only in Mexican pesos

If legal proceedings were commenced in Mexico seeking to enforce our obligations in respect of the notes and we were, as a result, ordered to pay amounts of money in respect of our obligations, we would be required to pay such amounts in Mexican pesos. Under the *Ley Monetaria de los Estados Unidos Mexicanos* (Mexican Monetary Law), an obligation denominated or payable in a currency other than Mexican pesos that is payable in

Mexico may be satisfied in Mexican pesos at the rate of exchange in effect on the date of payment. This rate is currently determined by the *Banco de México*, Mexico's Central Bank, and published in the *Diario Oficial de la Federación*, or Official Gazette of Mexico. As a result, the amount paid by us in Mexican pesos to holders of the notes may not be readily convertible into the amount of U.S. dollars that we are obligated to pay under the notes. In addition, our obligation to indemnify against exchange losses may be unenforceable in Mexico.

Our obligations under the notes would be converted in the event of bankruptcy

Under Mexico's *Ley de Concursos Mercantiles* (Law on Mercantile Reorganization), if we and/or Telcel were declared bankrupt or in *concurso mercantil*, upon any such declaration, our obligations under the notes and the guarantees:

- if payable in Mexican pesos, would be converted into inflation-adjusted units, or *Unidades de Inversión* (known as UDIs);
- if payable in foreign currency, would be converted into Mexican pesos and then from Mexican pesos into UDIs;
- would be satisfied at the time claims of our other creditors were satisfied;
- would be subject to the outcome of, and priorities recognized in, the relevant proceedings;
- would cease to accrue interest; and
- if payable in foreign currency, would not be adjusted to take into account any depreciation of the Mexican peso against such foreign currency occurring after such declaration.

Telcel's guarantees of the notes may not be enforceable in the event of a bankruptcy of Telcel

Telcel's guarantees of the notes provide a basis for a direct claim against Telcel; however, it is possible that the guarantees may not be enforceable. While Mexican law does not prohibit the giving of guarantees and, as a result, does not prevent Telcel's guarantees from being valid, binding and enforceable against Telcel, in the event Telcel is declared bankrupt or becomes subject to *concurso mercantil* (bankruptcy reorganization), the guarantees may be deemed to have been a fraudulent transfer and declared void, if it is determined that Telcel did not receive adequate consideration in exchange for the guarantees. If the guarantees become unenforceable, the notes will effectively be subordinated to all liabilities, including trade payables, of Telcel. As of October 31, 2006, Telcel had, on an unconsolidated basis, total liabilities of Ps.65,481 million (U.S.\$6,114 million). This amount excludes guarantees of debt obligations of América Móvil and other subsidiaries.

Mexican law may limit the ability of holders of notes to enforce their rights under the guarantees against Telcel

Creditors of Telcel, including holders of the notes, may face limitations under Mexican law in attempting to enforce claims against Telcel's assets to the extent those assets are used in providing public service under Telcel's concessions.

Political conditions in Mexico could materially and adversely affect Mexican economic policy or business conditions and, in turn, our operations

Federal elections were held in Mexico on July 2, 2006. Based on preliminary election results, the Federal Electoral Institute announced on July 6, 2006 that Felipe de Jesús Calderón Hinojosa of the center-right Partido Acción Nacional, or PAN, obtained a plurality of the vote, with a narrow margin over Andrés Manuel López Obrador of the center-left Partido de la Revolución Democrática, or PRD. Claiming electoral fraud, Mr. López Obrador initiated legal challenges to the preliminary election results and commenced protests in Mexico City. On September 5, 2006, the *Tribunal Electoral del Poder Judicial de la Federación* (Federal Electoral Tribunal) determined in a non-appealable ruling that Mr. Calderón won the election and formally declared him to be president-elect. Mr. Calderón was sworn in as Mexico's president on December 1, 2006. To date, Mr. López Obrador has refused to concede the election. In addition, Mr. López Obrador has announced that he will continue to lead demonstrations protesting the electoral process and the legitimacy of Mr. Calderón's electoral victory. We

cannot predict the impact that these protests may have on the Mexican government or on economic and business conditions in Mexico.

Although PAN won a plurality of the seats in the Mexican Congress in the election, no party succeeded in securing a majority in either chamber of the Mexican Congress. The absence of a clear majority by a single party is likely to continue at least until the next Congressional election in 2009. This situation, combined with the expected continued protests led by Mr. López Obrador, members of PRD and their supporters, may result in government gridlock and political uncertainty. We cannot provide any assurances that political developments in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition or results of operations.

Developments outside Mexico may affect prices for the notes

The market value of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in such other countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In October 1997, prices of both Mexican debt securities and Mexican equity securities dropped substantially in response to a sharp drop in the prices of Asian securities. Similarly, in the second half of 1998, prices of Mexican securities were adversely affected by economic crises in Russia and in Brazil. More recently, between 2002 and 2004, prices of Mexican securities were adversely affected by an economic crisis in Argentina. The market value of the notes could be adversely affected by events elsewhere, especially in emerging-market countries.

The notes are subject to restrictions on transfer

The notes and the guarantees issued in this offering will not be registered under the Securities Act and may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws or pursuant to an effective registration statement.

We intend to file a registration statement with the SEC and to cause that registration statement to become effective with respect to the exchange notes to be issued in exchange for the notes offered hereby. The SEC, however, has broad discretion to declare any registration statement effective and may delay or deny the effectiveness of any registration statement for a variety of reasons.

There may not be a liquid trading market for the notes

The notes are new securities with no established trading market. The initial purchasers have advised us that they intend to make a market in the notes, but the initial purchasers will not be obligated to do so and may discontinue any market-making in the notes at any time, in their sole discretion. As a result, we cannot assure you as to the liquidity of any trading market for the notes. If an active market for the notes does not develop, the price of the notes and the ability of a holder of notes to find a ready buyer will be adversely affected. Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. However, even if admission to listing is obtained, we will not be required to maintain this listing.

Exchange controls could impair our ability to make payments on the notes or negatively affect the value of payments on the notes received by you

The Mexican government currently does not restrict, and for many years has not restricted, the right or ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or to transfer other currencies out of Mexico. However, the government could institute restrictive exchange rate policies or regulations which could result in depreciation of the peso against the U.S. dollar, resulting in a reduced yield to you, a possible loss on the notes and a possible decline in the market value of the notes. In addition, any restrictive exchange controls could impair our ability to make payments on the notes in accordance with the terms of the notes.

USE OF PROCEEDS

The net proceeds from the sale of the notes, after payment of commissions and expenses, are expected to be approximately U.S.\$732 million (based on the exchange rate on December 7, 2006 of Ps.10.8970 per U.S.\$1.00). We intend to use the net proceeds from the sale of the notes for general corporate purposes.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratios of earnings to fixed charges for each year in the five-year period ended December 31, 2005 in accordance with Mexican GAAP and U.S. GAAP. In addition, the table below sets forth our consolidated ratio of earnings to fixed charges for the ten-month period ended October 31, 2006 in accordance with Mexican GAAP. Earnings for this purpose consist of earnings before income taxes, plus fixed charges and depreciation of capitalized interest and minus interest capitalized during the period. Under Mexican GAAP, employee profit-sharing is considered an income tax and earnings are calculated before the provision for employee profit-sharing. By contrast, under U.S. GAAP, employee profit-sharing is considered an operating expense and earnings are calculated after the provision for employee profit-sharing. Fixed charges for this purpose consist of interest expense plus interest capitalized during the period. Fixed charges do not take into account gain or loss from monetary position or exchange gain or loss attributable to our indebtedness. Under Mexican GAAP, we do not capitalize interest, but we have capitalized interest in certain periods under U.S. GAAP. See Note 20 to our audited consolidated financial statements included in our 2005 Form 20-F.

	Year ended December 31,					Ten months ended October 31,
	2001	2002	2003	2004	2005	2006
Mexican GAAP	6.1	5.0	5.9	6.3	5.3	8.2
U.S. GAAP	5.6	5.5	6.2	6.1	5.2	—

CAPITALIZATION

The following table sets forth our consolidated capitalization under Mexican GAAP (1) as of October 31, 2006, and (2) as adjusted to reflect the issuance of the notes. The information in this table should be read in conjunction with, and is qualified in its entirety by reference to “Recent Developments” and our unaudited condensed consolidated interim financial statements and the notes thereto included elsewhere in this offering memorandum.

	As of October 31, 2006			
	Actual		As adjusted	
	(millions of Mexican pesos)	(millions of U.S. dollars)	(millions of Mexican pesos)	(millions of U.S. dollars)
Debt:				
Denominated in U.S. dollars:				
Fixed rate senior notes	29,911	2,793	29,911	2,793
Floating rate senior notes	3,213	300	3,213	300
Syndicated bank loans	21,419	2,000	21,419	2,000
Export-import bank loans	862	81	862	81
Other	852	80	852	80
Total	<u>56,257</u>	<u>5,254</u>	<u>56,257</u>	<u>5,254</u>
Denominated in Mexican pesos:				
Domestic senior notes (<i>certificados bursátiles</i>)	7,050	658	7,050	658
9% senior notes due January 15, 2016	5,000	467	5,000	467
Leasing	3,534	330	3,534	330
8.46% Senior Notes due 2036 offered hereby	—	—	8,000	747
Total	<u>15,584</u>	<u>1,455</u>	<u>23,584</u>	<u>2,202</u>
Denominated in Colombian pesos	<u>5,042</u>	<u>471</u>	<u>5,042</u>	<u>471</u>
Denominated in other currencies	<u>1,801</u>	<u>168</u>	<u>1,801</u>	<u>168</u>
Total debt	<u>78,684</u>	<u>7,348</u>	<u>86,684</u>	<u>8,095</u>
Less short-term debt and current portion of long-term debt	<u>8,118</u>	<u>758</u>	<u>8,118</u>	<u>758</u>
Long-term debt	<u>70,566</u>	<u>6,590</u>	<u>78,566</u>	<u>7,337</u>
Stockholders' equity(1):				
Capital stock	34,905	3,259	34,905	3,259
Retained earnings	92,313	8,619	92,313	8,619
Other accumulated comprehensive loss items	(15,264)	(1,425)	(15,264)	(1,425)
Minority interest	629	59	629	59
Total shareholders' equity	<u>112,583</u>	<u>10,512</u>	<u>112,583</u>	<u>10,512</u>
Total capitalization (total long-term debt and shareholders' equity)	<u>183,149</u>	<u>17,102</u>	<u>191,149</u>	<u>17,849</u>

(1) See Note 15 to the unaudited condensed consolidated interim financial statements included in this offering memorandum.

As of October 31, 2006, Telcel had, on an unconsolidated basis, unsecured and unsubordinated indebtedness and guarantees of parent company and subsidiary indebtedness of approximately Ps.70,997 million (U.S.\$6,630 million). These obligations included approximately Ps.3,534 million of payment obligations under lease contracts entered into in connection with sale-and-leaseback transactions with respect to a portion of Telcel's telephone plant. As of that date, our operating subsidiaries other than Telcel had indebtedness of Ps.8,557 million (U.S.\$799 million).

There has been no material change in our consolidated capitalization since October 31, 2006. However, if the proposed merger with our controlling shareholder, Amtel, is consummated, we will assume Amtel's net indebtedness. As of October 31, 2006, Amtel had cash and cash equivalents of approximately Ps.815.6 million and total indebtedness of approximately Ps.13,894.9 million. See "Recent Developments—Corporate Restructuring and Acquisition Activity" for further information on this merger.

In addition, if we consummate one or more pending or future acquisitions, we anticipate that our total indebtedness will increase. See "Recent Developments—Corporate Restructuring and Acquisition Activity."

RECENT DEVELOPMENTS

The following discussion should be read in conjunction with the audited consolidated financial statements and “Item 5—Operating and Financial Review and Prospects” in our 2005 Form 20-F, which is incorporated by reference in this offering memorandum, as well as our unaudited condensed consolidated interim financial statements included elsewhere in this offering memorandum. Our financial statements are prepared in accordance with Mexican GAAP, which differs in certain respects from U.S. GAAP. See Note 20 to the audited consolidated financial statements.

General

We are the largest provider of wireless communications services in Latin America, based on the number of subscribers. As of October 31, 2006, we had 115.9 million subscribers in fourteen countries, compared to 85.7 million as of October 31, 2005. On an equity basis (representing our economic interest in our subsidiaries’ subscribers), we had 115.5 million subscribers as of October 31, 2006. Because our focus is on Latin America, a substantial majority of our wireless subscribers consists of prepaid customers. We also had an aggregate of approximately 2.1 million fixed lines in Guatemala, Nicaragua and El Salvador as of October 31, 2006, making us the largest fixed-line operator in Central America, based on the number of subscribers.

Our principal operations are:

- *Mexico.* Through Radiomóvil Dipsa, S.A. de C.V., which operates under the name “Telcel,” we provide cellular telecommunications service in all nine regions in Mexico. As of October 31, 2006, Telcel had 41.2 million subscribers, and Telcel is the largest provider of wireless services in Mexico, based on the number of subscribers.
- *Argentina.* In 2003, we acquired CTI Holdings S.A., or CTI, which provides nationwide wireless services, through its subsidiaries, in Argentina. CTI operates under the “CTI Móvil” brand. With approximately 9.4 million subscribers as of October 31, 2006, CTI is the second largest wireless operator in Argentina, based on the number of subscribers.
- *Brazil.* With approximately 22.5 million subscribers as of October 31, 2006, we are one of the three largest providers of wireless services in Brazil, based on the number of subscribers. We operate in Brazil through our subsidiaries, BCP S.A. and Americel S.A., under a unified brand name, “Claro.” Our network covers the principal cities in Brazil (including São Paulo and Rio de Janeiro).
- *Central America.* We provide fixed-line and wireless services in Guatemala, El Salvador and Nicaragua through our subsidiaries, Telecomunicaciones de Guatemala S.A., or Telgua, Compañía de Telecomunicaciones de El Salvador, S.A. de C.V., or CTE, and Empresa Nicaragüense de Telecomunicaciones S.A., or ENITEL. We also provide wireless services in Honduras through our subsidiary, Servicios de Comunicaciones de Honduras, S.A. de C.V., or Sercom Honduras. In September 2006, our Central American subsidiaries began offering wireless services under the “Claro” brand. As of October 31, 2006, our subsidiaries had 5.4 million wireless subscribers in Central America.
- *Chile.* In August 2005, we began providing wireless services in Chile through Claro Chile, S.A., or Claro Chile (formerly known as Smartcom, S.A.). With approximately 2.2 million wireless subscribers as of October 31, 2006, Claro Chile is the third largest wireless operator in Chile, based on the number of subscribers. Claro Chile operates under the “Claro” brand.
- *Colombia.* We provide wireless services in Colombia through Comcel, S.A. under the “Comcel” brand. With approximately 19.0 million subscribers as of October 31, 2006, we are the largest wireless operator in the country, based on the number of subscribers.
- *Dominican Republic.* On December 1, 2006, we consummated our acquisition of Verizon Dominicana. Verizon Dominicana is the largest telecommunications service provider in the Dominican Republic

with over 2.1 million wireless subscribers and 750,000 wireline and broadband subscribers as of September 30, 2006. See “—Corporate Restructuring and Acquisition Activity” below for further details on this acquisition.

- *Ecuador.* With approximately 5.4 million subscribers as of October 31, 2006, Consorcio Ecuatoriano de Telecomunicaciones S.A., or Conecel, our subsidiary in Ecuador, is the largest wireless operator in Ecuador, based on the number of subscribers. Conecel operates under the “Porta” brand.
- *Paraguay.* In July 2005, we began providing wireless services in Paraguay. As of October 31, 2006, AMX Paraguay, S.A., our Paraguayan subsidiary, had approximately 364,000 subscribers and was the fourth largest operator in the country, based on number of subscribers. We offer services in Paraguay under the “CTI Móvil” brand.
- *Uruguay.* In December 2004, we began providing wireless services in Uruguay. As of October 31, 2006, our Uruguayan subsidiary, AM Wireless Uruguay, S.A. had approximately 355,000 subscribers and was the third largest operator in the country, based on number of subscribers. We offer services in Uruguay under the “CTI Móvil” brand.
- *Peru.* Since August 2005, we have offered wireless services in Peru, most recently under the “Claro” brand. América Móvil Perú S.A.C., our Peruvian subsidiary, had approximately 2.9 million wireless subscribers and was the second largest operator in Peru, based on number of subscribers as of October 31, 2006.
- *United States.* Our U.S. subsidiary, TracFone Wireless Inc., is engaged in the sale and distribution of prepaid wireless services and wireless phones throughout the United States, Puerto Rico and the U.S. Virgin Islands. It had approximately 7.2 million subscribers as of October 31, 2006.

Results of Operations for Ten-Month Periods Ended October 31, 2005 and 2006

Our results of operations for the ten-month period ended October 31, 2006 have not been audited and, consequently, are subject to change or adjustment. These results have been prepared in accordance with Mexican GAAP and are presented in constant Mexican pesos with purchasing power as of October 31, 2006.

As a result of Mexican inflation during the first ten months of 2006, the purchasing power of one Mexican peso as of December 31, 2005 was equivalent to the purchasing power of Ps.1.03 as of October 31, 2006. Accordingly, in order to facilitate comparison between the financial data appearing in this offering memorandum, all financial data presented in this offering memorandum (but not the financial data in our 2005 Form 20-F) is presented in constant Mexican pesos as of October 31, 2006.

The following table sets forth summary unaudited condensed consolidated financial data of América Móvil for the ten-month periods ended October 31, 2005 and 2006.

	For ten months ended October 31,	
	2005	2006
	(millions of constant Mexican pesos as of October 31, 2006) (unaudited)	
Operating revenues	Ps. 151,006	Ps. 186,889
Operating costs and expenses(1)	122,731	140,279
Operating income	28,275	46,610
Comprehensive financing cost (income)	(802)	6
Net income	25,861	35,295

(1) Includes depreciation and amortization.

Operating Revenues

We recorded operating revenues of Ps.186,889 million for the ten months ended October 31, 2006, a 23.8% increase over 2005. This increase in revenues principally reflects subscriber growth and an increase in traffic. Our consolidated revenues for the first ten months of 2006 include approximately Ps.3,823 million attributable to our operations in Peru and Paraguay, which we began consolidating in September 2005.

We had approximately 115.9 million wireless subscribers as of October 31, 2006, as compared to 79.9 million as of October 31, 2005, a 45.1% increase. We experienced subscriber growth in all of our markets during the first ten months of 2006. The table below lists our total wireless subscribers in each of markets as of October 31, 2005 and October 31, 2006.

	As of October 31,	
	2005	2006
	(thousands)	
Mexico	33,988	41,199
Argentina	5,894	9,400
Brazil	17,684	22,481
Central America	3,582	5,395
Chile	1,792	2,163
Colombia	11,901	18,965
Ecuador	3,695	5,355
Paraguay	147	364
Uruguay	121	355
Peru	1,679	2,942
United States	5,169	7,244
Total	<u>85,652</u>	<u>115,862</u>

We had 2.14 million fixed lines as of October 31, 2006 and 1.98 million fixed lines as of October 31, 2005.

During the first ten months of 2006, we recorded Ps.157,188 million in service revenues and Ps.29,701 million in equipment revenues, as compared to Ps.124,498 million and Ps.26,508 million, respectively, during the first ten months of 2005. Our service revenues and equipment revenues represented 84.1% and 15.9%, respectively, of our total operating revenues for the first ten months of 2006, as compared to 82.4% and 17.6%, respectively, for the comparable period in 2005.

During the first ten months of 2006, our service revenues (which grew by 26.2% as compared to the first ten months of 2005) increased at a faster rate than our equipment revenues (which grew by 12.0% as compared to the first ten months of 2005). We continue to experience a rapid increase in revenues from services such as data services, including SMS messaging, and other value-added services.

The following table sets forth the percentages of our operating revenues for the first ten months of 2006 and 2005 represented by our different regional markets:

Country or Region	% of revenues during first ten months of 2006	% of revenues during first ten months of 2005
Mexico	47%	49%
Brazil	17%	17%
Mercosur (Argentina, Chile, Paraguay and Uruguay)	9%	7%
Andean Countries (Colombia , Ecuador and Peru)	14%	13%
Central America (El Salvador, Guatemala, Honduras and Nicaragua)	7%	9%
United States	6%	6%
Total	<u>100%</u>	<u>100%</u>

Operating Costs and Expenses

Our operating costs and expenses for the first ten months of 2006 increased by 14.2% to Ps.140,279 million, as compared to Ps.122,731 million for the first ten months of 2005. As a percentage of our total revenues, operating costs and expenses decreased to 75.1% during the first ten months of 2006 as compared to 81.2% during the first ten months of 2005. The decrease in our operating costs and expenses as a percentage of revenues reflects lower subscriber acquisition costs relative to revenues (as new subscribers represent a lower percentage of our existing subscriber base) and lower interconnection rates in Mexico and Brazil.

Our depreciation and amortization expenses increased by 20.8% in the first ten months of 2006 compared to the first ten months of 2005, from Ps.17,869 million to Ps.21,599 million. The increase principally reflects the significant increase in capital expenditures in 2005 compared to 2004, from Ps. 23.1 in 2004 to Ps. 39.9 billion in 2005.

The increase in operating costs and expenses in the first ten months of 2006 includes a Ps.6,517 million, or 21.8%, increase in cost of service reflecting principally higher air-time usage, interconnection fees and infrastructure costs, and an increase of Ps.5,282 million, or 12.3%, in cost of equipment reflecting principally higher equipment sales. As a percentage of our equipment revenues, cost of equipment was 164% in the first ten months of 2005 and 162% in the first ten months of 2006.

Operating Income

Our operating income for the first ten months of 2006 totaled Ps.46,610 million, a 64.8% increase compared to Ps.28,275 million for the first ten months of 2005. As a percentage of our revenues, operating income for the first ten months of 2006 increased to 24.9% compared to 18.7% for the first ten months of 2005. For the first ten months of 2006, we reported positive operating income in all of our geographic markets other than Brazil and Chile.

Comprehensive Financing Income (Loss)

We had a comprehensive financing loss of Ps.6 million for the first ten months of 2006, as compared to comprehensive financing income of Ps.802 million for the first ten months of 2005. This change reflected principally a foreign exchange gain of Ps.2,336 million during the first ten months of 2006, as compared to a foreign exchange gain of Ps.3,995 million during the first ten months of 2005. This decrease in foreign exchange gain was due mainly to the fact that the Mexican peso appreciated less against the dollar in the first ten months of 2006 than in the first ten months of 2005, as well as the fact that we had a reduced amount of U.S. dollar-denominated liabilities in Brazil in the first ten months of 2006, as compared to the first ten months of 2005, which caused the appreciation of the Brazilian real against the U.S. dollar to produce less foreign exchange gain in the first ten months of 2006. This change in foreign exchange gain more than offset by a decrease in our other financial expenses, which include gains and losses from variations in the fair value of our derivative contracts. Our other financial expenses decreased from Ps.2,154 million for the first ten months of 2005 to Ps.1,479 million for the first ten months of 2006, principally as a result of changes in the fair value of our derivative contracts.

Income Tax and Employee Profit-Sharing

During the first ten months of 2006, we recorded provisions for income tax and employee profit sharing of Ps.12,269 million, as compared to Ps.2,942 million in the first ten months of 2005. The increase reflects our increased income in 2006 and a decrease in our effective tax rate in 2005, principally due to significant tax losses recognized in Mexico as a result of our internal corporate reorganization undertaken during the fourth quarter of 2005.

Net Income

For the ten months ended October 31, 2006, we had net income of Ps. 35,295 million. Net income increased by 36.5% from the Ps.25,861 million reported for the ten months ended October 31, 2005. This increase in net income reflected principally the increase in our operating income, which was partially offset by an increase in our tax and employee profit-sharing expenses.

Outstanding Indebtedness

As of October 31, 2006, we had total indebtedness of Ps.78,684 million, of which Ps.8,118 million, or 10.3%, was classified as short-term debt (including the current portion of long-term debt). As of October 31, 2005, we had total indebtedness of Ps.63,503 million, and as of December 31, 2005, we had total indebtedness of Ps.70,634. Approximately Ps.56,257 million or 71.5% of our total indebtedness as of October 31, 2006 was denominated in U.S. dollars, and approximately Ps.34,767 million, or 44.2%, bore interest at variable rates.

The maturities of our long-term debt as of October 31, 2006 were as follows:

<u>Years</u>	<u>Amount</u> <u>(millions of constant</u> <u>Mexican pesos as of</u> <u>October 31, 2006)</u>
2007	Ps. 67
2008	7,123
2009	7,071
2010	2,244
2011	21,478
2012 and thereafter	32,584
Total	<u>Ps.70,566</u>

We regularly assess our interest rate and foreign exchange exposures in order to determine whether to hedge our exposures. We may use derivative instruments to hedge our exposures.

Share Repurchase Program

We have continued to repurchase shares of our capital stock under our share repurchase program. During the first ten months of 2006, we repurchased approximately 333 million Series L shares and 0.5 million Class A shares for aggregate consideration of Ps.6,296 million.

Selected Balance Sheet and Other Data

As of October 31, 2006, cash and cash equivalents amounted to Ps.38,606 million, as compared to Ps.11,622 million as of December 31, 2005 and Ps.11,178 million as of October 31, 2005. During the first ten months of 2006, we used approximately Ps.10,098 million to pay dividends and repurchase our shares.

Capital Expenditures

We have invested approximately Ps.22,567 million in capital expenditures during the first ten months of 2006. Our budgeted capital expenditures for 2007 are U.S.\$3 billion. We plan to use these resources primarily to expand the capacity and coverage of our networks.

Corporate Restructuring and Acquisition Activity

Purchase of Minority Interest in Telecom Americas

In October 2006, the former minority shareholder of our subsidiary, Telecom Americas, exercised its right to sell us its remaining shares in the company for U.S.\$172.5 million. We now own 100% of the share capital of Telecom Americas, which, in turn, indirectly owns 99.9% of the share capital of BCP, our principal operating subsidiary in Brazil.

Merger with Amtel

On November 7, 2006, we announced our plan to merge with our controlling shareholder, América Telecom, S.A. de C.V., or Amtel, by offering 4.07128 América Móvil shares for each Amtel share. As of October 31, 2006, Amtel held 14,630,000,000 of our shares, representing 40.74% of our outstanding capital stock (consisting of 7,587,453,264 Class AA shares and 7,042,546,736 Series L shares). As of October 31, 2006, Amtel's only significant asset, other than cash and cash equivalents, was our capital stock. If the merger is consummated, we will assume Amtel's net indebtedness. As of October 31, 2006, Amtel had cash and cash equivalents of approximately Ps.815.6 million and total indebtedness of approximately Ps.13,894.9 million. As of such date, Amtel also had obligations under derivative contracts (principally U.S. dollar-Mexican peso forwards) having a negative fair value of approximately Ps.438.7 million and accrued tax liabilities of Ps.118.3 million.

If consummated, the merger will result in the elimination of the management fee that we currently pay to Amtel. The merger also will increase by approximately Ps.12,500 million the amount we may use under applicable Mexican tax rules (*cuenta de utilidad fiscal neta*, or CUFIN) to repurchase shares or pay dividends without incurring additional taxes.

If the merger is consummated, Amtel's shareholders will receive shares of each series of our capital stock proportionally, based on the shares transferred pursuant to the merger or, to the extent practicable, in other proportions among Amtel's shareholders, upon their request and subject to availability based on the limits and ownership restrictions applicable to each series of our stock pursuant to our bylaws. The merger also will result in a reduction in our share capital of approximately 603,000,000 Series L shares, in respect of the net indebtedness that we will assume as part of the merger.

We expect to consummate the merger during the first quarter of 2007, subject to the approval of our shareholders and Amtel shareholders, as well as Mexican regulatory approval and other customary conditions.

Acquisitions

In April 2006, we agreed to acquire the interests of Verizon Communications Inc. in Verizon Dominicana, C. por A., or Verizon Dominicana, and Telecomunicaciones de Puerto Rico, Inc., or Telpri, and a 50-50 joint venture between us and our affiliate Teléfonos de México agreed to acquire the interest of Verizon Communications in Compañía Anónima Nacional de Teléfonos de Venezuela, or CANTV.

On December 1, 2006, we consummated the acquisition of a 100% interest in Verizon Dominicana, for a purchase price of \$2.4 billion (after net debt adjustments). Verizon Dominicana is the largest telecommunications service provider in the Dominican Republic, with over 750,000 wireline and broadband subscribers and 2.1 million wireless subscribers as of September 30, 2006.

The closing of the Telpri and CANTV transactions has been delayed because of additional time required to obtain regulatory approvals. Although we cannot give you any assurances, we expect to close the Telpri acquisition by the end of the first quarter of 2007, following receipt of regulatory approvals.

The purchase agreement for CANTV has been extended through December 29, 2006. The prospects for obtaining Venezuelan regulatory approvals on which the closing of the CANTV transaction is conditioned are uncertain, and we cannot predict whether they will be obtained before the purchase agreement expires or whether the parties will agree to extend the purchase agreement.

We continue to look for other investment opportunities in telecommunication companies in Latin America and the Caribbean, including in markets where we are already present, and we often have several possible acquisitions under consideration. For example, we may pursue further market consolidation opportunities in Brazil depending on their terms and conditions, including by participating in any eventual sale by Telecom Italia of its cellular assets in Brazil. Any future acquisitions and related financings could have a material effect on our business, results of operations and financial condition, but we cannot give you any assurances that we will complete any of them.

Mexico's "Calling Party Pays" System

Since 1999, Mexico has used a "calling party pays" system for cellular calls within a local area, under which subscribers pay only for outgoing calls. In April 2006, the Mexican Federal Telecommunications Commission, or Cofetel, extended the "calling party pays" system to national and international long-distance calls. Under the new regulations, long-distance calls received by cellular subscribers are paid for by the calling parties, and cellular operators do not charge airtime fees to customers receiving calls, except for roaming and certain long-distance fees applicable when subscribers receive calls outside their local areas. Pursuant to the regulations, long-distance operators and cellular operators had to negotiate interconnection agreements to establish the terms and conditions for the implementation of the new system, including applicable interconnection fees, prior to October 2006. Effective November 4, 2006, Telmex and certain long-distance operators, on the one hand, and all cellular operators in Mexico, on the other hand, reached an agreement establishing the conditions under which the system will operate. We believe these regulations will increase revenues from incoming international calls, as we believe that the regulations will permit a significant number of pre-paid subscribers, who would have otherwise not been able to afford the fees applicable to long-distance calls, to receive such calls.

In September 2006, Cofetel ruled on the challenges presented by certain fixed-line operators to the framework for interconnection fees applicable under the local "calling party pays" system that had been agreed in December 2004 by Telcel with certain other telecommunications service providers. Cofetel established a framework of interconnection fees applicable to the operators that challenged the previous framework. Under the resolution, interconnection fees are: Ps.1.23 per minute for the period between September 2006 and December 2007; Ps.1.12 per minute for 2008; Ps.1.00 per minute for 2009; and Ps.0.90 per minute for 2010. In addition, Cofetel ruled that starting in 2007, interconnection fees would be charged based on the actual number of seconds of use, rather than by rounding to the next minute, as had been the practice. In order to mitigate the effects of this change, Cofetel ruled that wireless operators were entitled to a surcharge of 25% in 2007, 18% in 2008 and 10% in 2009 over the interconnection fees billed to fixed-line operators.

We are currently applying the new tariff framework established by Cofetel; however, Telcel does not agree with Cofetel's resolution and has initiated judicial proceedings (*juicio de amparo*) to challenge the resolution. We have obtained an injunction (*suspensión definitiva*) suspending the effects of some aspects of the resolution, but the injunction (as requested by us) does not suspend the application of the new tariff scheme, a suspension in respect of which would have exposed us to the risk of potentially having to return collected interconnection fees to other operators. We cannot predict the outcome of these proceedings.

Although the new tariff framework imposed by Cofetel will reduce Telcel's revenues from interconnection fees paid by fixed-line operators as compared to the prior framework, we do not currently anticipate that the new tariff framework will have a material adverse effect on our consolidated revenues. However, we cannot give you assurances regarding the ultimate impact of the changes to the Mexican "calling party pays" system on our results of operations given the current uncertainty regarding the terms of the system that will be ultimately applicable to us.

DESCRIPTION OF NOTES

This section of the offering memorandum summarizes the material terms of the indenture, the supplemental indenture, and the notes and guarantees. It does not, however, describe all of the terms of the indenture, the supplemental indenture and the notes and guarantees. Upon request, we will provide you with copies of the indenture and the supplemental indenture. See “Where You Can Find More Information” for information concerning how to obtain such copies.

In this section, references to “we,” “us” and “our” are to América Móvil, S.A. de C.V. only and do not include our subsidiaries or affiliates. References to “Telcel” or the “guarantor” are to Radiomóvil Dipsa, S.A. de C.V., which is our subsidiary and the guarantor of the notes. References to the “notes” include both the notes and the guarantees, except where otherwise indicated or as the context otherwise requires. References to “holders” mean those who have notes registered in their names on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in notes issued in book-entry form through Clearstream Banking, Société Anonyme (“Clearstream, Luxembourg”) or Euroclear Bank S.A./N.V. (“Euroclear”). Owners of beneficial interests in the notes should refer to “Form of Notes, Clearing and Settlement.”

General

Indenture and Supplemental Indenture

The notes will be issued as a series of debt securities under an indenture, dated as of March 9, 2004, as amended and supplemented, and a supplemental indenture, to be dated as of December 18, 2006. Both the indenture and the supplemental indenture are agreements among us, Telcel, as guarantor, and The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as trustee. The trustee has the following two main roles:

- First, the trustee can enforce your rights against us if we default in respect of the notes and Telcel defaults in respect of the guarantees. There are some limitations on the extent to which the trustee acts on your behalf, which we describe under “—Defaults, Remedies and Waiver of Defaults” below.
- Second, the trustee performs administrative duties for us, such as making interest payments and sending notices to holders of notes.

Principal and Interest

The initial aggregate principal amount of the notes will be Ps.8,000,000,000. The notes will mature, and 100% of the principal amount will be due and payable, on December 18, 2036.

The notes will bear interest at a rate of 8.46% per year from December 18, 2006. Interest on the notes will be payable semi-annually on June 18 and December 18 of each year, beginning on June 18, 2007, to the holders in whose names the notes are registered at the close of business on the June 1 or December 1 immediately preceding the related interest payment date.

We will pay interest on the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. We will compute interest on the notes on the basis of the actual number of days during the relevant interest period and a 360-day year.

As described under “Registration Rights,” we have agreed to file and to use our reasonable best efforts to cause to become effective a registration statement relating to an exchange offer for the notes. If the registration statement is not filed or declared effective, or if the exchange offer is not consummated, or if a shelf registration statement ceases to be available for resales of the notes, within specified time periods, additional interest will be payable on the affected notes.

Claims against us for the payment of principal, interest or additional amounts, if any, in respect of the notes will be prescribed unless made within six years of the respective due dates for payment of such amounts; provided, however, that any valid claim in respect of any payment commenced within six years of the due date for such payment shall have full force and effect in accordance with applicable law.

Payment Currency

Payments in U.S. Dollars

Payment of principal, interest, additional amounts and any other amounts due in respect of the notes will be made, except as provided below, in U.S. dollars, in amounts determined by the calculation agent by translating the Mexican peso amounts into U.S. dollars at the Settlement Rate on the applicable Rate Calculation Date.

For the purposes of translating Mexican peso amounts into U.S. dollars:

“Settlement Rate” means the Mexican peso / U.S. dollar exchange rate (the “FIX FX Rate”) reported by the *Banco de México* (Bank of Mexico, or “Central Bank”) as the average of quotes in the wholesale foreign exchange market in Mexico for transactions payable in 48 hours on its website (which, at the date hereof, is located at <http://www.banxico.gob.mx>) on the applicable Rate Calculation Date. In the event that the FIX FX Rate is not so available by 3:00 p.m. (Mexico City time) on any Rate Calculation Date, then the Settlement Rate for such Rate Calculation Date will be determined by the calculation agent by taking the arithmetic mean (such mean, the “Alternative Rate”) of the Mexican peso / U.S. dollar exchange rate for the foreign exchange market in Mexico for transactions payable in 48 hours offered at or about such time on such date by (i) Banco Nacional de México, S.A., Institución de Banca Múltiple, (ii) Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, (iii) Bank of America Global FX, (iv) HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC and (v) JPMorgan Chase Bank, N.A. (the “Reference Banks”); provided, however, that if any of the Reference Banks ceases to offer such an exchange rate, that bank will be replaced by us, for the purpose of determining the Alternative Rate, with another leading bank or financial institution. In the event that the calculation agent determines (in its sole and absolute discretion) that neither the FIX FX Rate nor the Alternative Rate can be ascertained on a Rate Calculation Date in accordance with the foregoing, we will determine the Settlement Rate (and method of determining the Settlement Rate) in respect of such date in our sole and absolute discretion, taking into consideration all available information that in good faith we deem relevant.

“Rate Calculation Date” means the second Mexican FX Day immediately preceding an interest payment date, or maturity date, as applicable. Notwithstanding the preceding sentence, if the Rate Calculation Date is not a business day, then the Rate Calculation Date will be the immediately preceding Mexican FX day (i.e., prior to such second Mexican FX Day), that is a business day. As defined in the indenture, “business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is (i) not a day on which banking institutions in New York City or Mexico City generally are authorized or obligated by law, regulation or executive order to close and (ii) a day on which banks and financial institutions in Mexico are open for business with the general public.

“Mexican FX Day” means each Monday, Tuesday, Wednesday, Thursday or Friday that is (i) not a day on which banking institutions or foreign exchange markets in Mexico City generally are authorized or obligated by law, regulation or executive order to close and (ii) a day on which banking institutions and foreign exchange markets in Mexico City are open for business with the general public.

The FIX FX Rate for any Mexican FX Day is also published in the Official Gazette of Mexico on the succeeding Mexican FX Day.

As long as the notes are outstanding, we will maintain a calculation agent for determining the Settlement Rate on each Rate Calculation Date. We have initially appointed The Bank of New York to serve as calculation agent. The determinations of the calculation agent will, in the absence of manifest error, be conclusive for all purposes and binding on us and the holders of the notes.

The calculation agent will give notice to holders of the notes of the Settlement Rate and the U.S. dollar amounts to be paid per Ps.1,000,000 principal amount of notes on the business day immediately preceding the applicable payment date in the manner described under “—Notices.”

Election for Payment in Mexican Pesos

A holder of the notes may elect to receive payment of principal, interest, additional amounts and any other amounts due in respect of the notes in Mexican pesos. A holder who wishes to elect to receive a particular payment in Mexican pesos must notify the principal paying agent no later than the 8th day preceding the applicable payment date (but not earlier than the applicable record date). Holders who wish to receive payments in Mexican pesos must deliver a separate notice of any such election with respect to each payment date. Holders who own beneficial interests in the global note through accounts with Clearstream, Luxembourg or Euroclear must arrange to have such notice given on their behalf. See “Form of Notes, Clearing and Settlement.”

Subsidiary Guarantor

Telcel will irrevocably and unconditionally guarantee the full and punctual payment of principal, interest, additional amounts and any other amounts that may become due and payable by us in respect of the notes. If we fail to pay any such amount, Telcel will have the obligation to immediately pay the amount that is due and required to be paid.

Ranking of the Notes and the Guarantees

We are a holding company and our principal assets are shares that we hold in our subsidiaries. The notes will not be secured by any of our assets or properties. As a result, by owning the notes, you will be one of our unsecured creditors. The notes will not be subordinated to any of our other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against us, the notes would rank equally in right of payment with all our other unsecured and unsubordinated debt. As of October 31, 2006, we had, on an unconsolidated basis, unsecured and unsubordinated indebtedness and guarantees of subsidiary indebtedness of approximately Ps.74,879 million (U.S.\$6,992 million).

Telcel’s guarantees of the notes will not be secured by any of its assets or properties. As a result, if Telcel is required to pay under the guarantees, holders of the notes would be unsecured creditors of Telcel. The guarantees will not be subordinated to any of Telcel’s other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against Telcel, the guarantees would rank equally in right of payment with all of Telcel’s other unsecured and unsubordinated debt.

As of October 31, 2006, Telcel had, on an unconsolidated basis, unsecured and unsubordinated indebtedness and guarantees of parent company and subsidiary indebtedness of approximately Ps.70,997 million (U.S.\$6,630 million). This includes approximately Ps.3,534 million of payment obligations under lease contracts entered into in connection with sale and leaseback transactions with respect to a portion of Telcel’s telephone plant. A creditor of Telcel, including a holder of the notes, which are guaranteed by Telcel, may face limitations under Mexican law in attempting to enforce a claim against Telcel’s assets to the extent those assets are used in providing public service under Telcel’s concessions.

As of October 31, 2006, our operating subsidiaries other than Telcel had indebtedness of Ps.8,557 million (U.S.\$799 million). This indebtedness of our subsidiaries other than Telcel will be effectively senior to the notes.

The indenture and the notes do not restrict our ability or the ability of Telcel or our other subsidiaries to incur additional unsecured indebtedness in the future.

Stated Maturity and Maturity

The day on which the principal amount of the notes is scheduled to become due is called the “stated maturity” of the principal. The principal may become due before the stated maturity by reason of redemption or acceleration after a default. The day on which the principal actually becomes due, whether at the stated maturity or earlier, is called the “maturity” of the principal. We sometimes use the term “maturity date” to refer to this day.

We also use the terms “stated maturity” and “maturity” to refer to the dates when interest payments become due. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the “stated maturity” of that installment. When we refer to the “stated maturity” or the “maturity” of the notes without specifying a particular payment, we mean the stated maturity or maturity, as the case may be, of the principal.

Form and Denominations

The notes will be issued only in registered form without coupons and in denominations of Ps.1,000,000 (equivalent to approximately U.S.\$91,768 based on an exchange rate on December 7, 2006 of Ps.10.8970 per U.S.\$1.00) and integral multiples of Ps.100,000 (equivalent to approximately U.S.\$9,177 based on such exchange rate) in excess thereof.

Except in limited circumstances, the notes will be issued in the form of global notes. See “Form of Notes, Clearing and Settlement.”

Further Issues

We reserve the right, from time to time without the consent of holders of the notes, to issue additional notes on the same terms and conditions as the notes (except for issue date, issue price and the date from which interest shall accrue and, if applicable, first be paid) which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes.

Payment of Additional Amounts

We are required by Mexican law to deduct Mexican withholding taxes from payments of interest to holders of the notes who are not residents of Mexico for tax purposes as described under “Taxation—Mexican Tax Considerations.”

We will pay to holders of the notes that are non-residents of Mexico all additional amounts that may be necessary so that every net payment of interest or principal to the holder will not be less than the amount provided for in the notes. By net payment, we mean the amount that we or our paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

Our obligation to pay additional amounts is, however, subject to several important exceptions. We will not pay additional amounts to any holder for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a note);
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the notes;
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the note if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 days’ notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;

- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the notes;
- any taxes, duties, assessments or other governmental charges with respect to such note presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such note would have been entitled to such additional amounts on presenting such note for payment on any date during such 15-day period;
- any payment on the note to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of the note; and
- any tax, duty, assessment or governmental charge is imposed on a payment to an individual and is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings.

The limitations on our obligations to pay additional amounts described in the third bullet point above will not apply if the provision of information, documentation or other evidence described in the applicable bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a note, taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States/Mexico Income Tax Treaty), regulations (including proposed regulations) and administrative practice.

Applicable Mexican regulations currently allow us to withhold at a reduced rate, provided that we comply with certain information reporting requirements. Accordingly, the limitations on our obligations to pay additional amounts described in the third bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) we cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on our own through reasonable diligence, and (c) we otherwise would meet the requirements for application of the applicable Mexican regulations.

In addition, the third bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

We will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. We will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amount. We will provide copies of such documentation to the holders of the notes or the relevant paying agent upon request.

Any reference in this offering memorandum, the indenture, the supplemental indenture or the notes or guarantees to principal, interest or any other amount payable in respect of the notes by us will be deemed also to refer to any additional amount that may be payable with respect to that amount under the obligations referred to in this subsection.

In the event that additional amounts actually paid with respect to the notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such notes, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to us. However, by making such assignment, the holder makes no representation or warranty that we will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Redemption

We will not be permitted to redeem the notes before their stated maturity, except for taxation reasons as set forth below. The notes will not be entitled to the benefit of any sinking fund—meaning that we will not deposit money on a regular basis into any separate account to repay your notes. In addition, you will not be entitled to require us to repurchase your notes from you before the stated maturity.

Redemption for Taxation Reasons

If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of Mexico or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations, which amendment to or change of such laws, rules or regulations becomes effective on or after the date of this offering memorandum, we would be obligated, after taking such measures as we may consider reasonable to avoid this requirement, to pay additional amounts in excess of those attributable to a Mexican withholding tax rate of 4.9% with respect to the notes (see “—Payment of Additional Amounts” and “Taxation—Mexican Tax Considerations”), then, at our option, all, but not less than all, of the notes may be redeemed at any time on giving not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and any additional amounts due thereon up to but not including the date of redemption; provided, however, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which we would be obligated to pay these additional amounts if a payment on the notes were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

Prior to the publication of any notice of redemption for taxation reasons, we will deliver to the trustee:

- a certificate signed by one of our duly authorized representatives stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right of redemption for taxation reasons have occurred; and
- an opinion of Mexican legal counsel (which may be our counsel) of recognized standing to the effect that we have or will become obligated to pay such additional amounts as a result of such change or amendment.

This notice, after it is delivered by us to the trustee, will be irrevocable.

Merger, Consolidation or Sale of Assets

We may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of our assets and properties and may not permit any person to consolidate with or merge into us, unless all of the following conditions are met:

- if we are not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the notes, the indenture and the supplemental indenture;
- immediately after the transaction, no default under the notes has occurred and is continuing. For this purpose, “default under the notes” means an event of default or an event that would be an event of default with respect to the notes if the requirements for giving us default notice and for our default having to continue for a specific period of time were disregarded. See “—Defaults, Remedies and Waiver of Defaults”; and
- we have delivered to the trustee an officers’ certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

If the conditions described above are satisfied, we will not have to obtain the approval of the holders of the notes in order to merge or consolidate or to sell or otherwise dispose of our properties and assets substantially as an entirety. In addition, these conditions will apply only if we wish to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of our assets and properties. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the stock or assets of another person, any transaction that involves a change of control of our company, but in which we do not merge or consolidate and any transaction in which we sell or otherwise dispose of less than substantially all our assets.

Telcel may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless substantially the same conditions set forth above are satisfied with respect to Telcel.

Covenants

The following covenants will apply to us and certain of our subsidiaries for so long as any note remains outstanding. These covenants restrict our ability and the ability of certain of our subsidiaries to enter into certain transactions. However, these covenants do not limit our ability to incur indebtedness or require us to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

We may not, and we may not allow any of our restricted subsidiaries to, create, incur, issue or assume any liens on our restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of our restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of our Consolidated Net Tangible Assets unless we secure the notes equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

- liens on restricted property acquired and existing on the date the property was acquired or arising after such acquisition pursuant to contractual commitments entered into prior to such acquisition;
- liens on any restricted property securing debt incurred or assumed for the purpose of financing its purchase price or the cost of its construction, improvement or repair, *provided* that such lien attaches to the restricted property within 12 months of its acquisition or the completion of its construction, improvement or repair and does not attach to any other restricted property;
- liens existing on any restricted property of any restricted subsidiary prior to the time that the restricted subsidiary became a subsidiary of ours or liens arising after that time under contractual commitments entered into prior to and not in contemplation of that event;
- liens on any restricted property securing debt owed by a subsidiary of ours to us or to another of our subsidiaries; and
- liens arising out of the refinancing, extension, renewal or refunding of any debt described above, provided that the aggregate principal amount of such debt is not increased and such lien does not extend to any additional restricted property.

“Consolidated Net Tangible Assets” means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on our most recent consolidated balance sheet and computed in accordance with Mexican GAAP.

“Restricted property” means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired

after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by us or our restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

“Restricted subsidiaries” means our subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

We may not, and we may not allow any of our restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the notes will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the notes (excluding any secured indebtedness permitted under “—Limitation on Liens” above) plus the aggregate amount of our attributable debt and the attributable debt of our restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of our Consolidated Net Tangible Assets; or
- we or one of our restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of our secured debt which is not subordinate to the notes in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

Notwithstanding the foregoing, the indenture provides that we and/or our restricted subsidiaries were permitted to enter into sale and leaseback transactions during 2004 in respect of which attributable debt is not in excess of U.S.\$300 million in the aggregate, and additional sale and leaseback transactions that solely refinance, extend, renew or refund such sale and leaseback transactions, and (a) the restriction described in the preceding paragraph shall not apply to such sale and leaseback transactions and (b) such transactions shall be excluded in determining the aggregate amount of our attributable debt and the attributable debt of our restricted subsidiaries for purposes of the preceding paragraph and also for purposes of the covenant described under “—Limitation on Liens” above.

“Sale and leaseback transaction” means an arrangement between us or one of our restricted subsidiaries and a bank, insurance company or other lender or investor where we or our restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by us or our restricted subsidiary to that lender or investor for a sale price of U.S.\$1 million or its equivalent or more.

“Attributable debt” means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to the sale and leaseback transaction and (2) the present value, discounted at a rate set forth in the indenture, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease.

Limitation on Sale of Capital Stock of Telcel

We may not, and we may not allow any of our subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition we would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

We will furnish the trustee with copies of our annual report and the information, documents and other reports that we are required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange

Act of 1934, as amended, including our annual reports on Form 20-F and reports on Form 6-K, within 15 days after we file them with the SEC. In addition, we will make the same information, documents and other reports available, at our expense, to holders who so request in writing. In the event that, in the future, we are not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Securities Exchange Act, we will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that we would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If any of our officers becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, we will also file a certificate with the trustee describing the details thereof and the action we are taking or propose to take.

If we are not subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 at any time when the notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will furnish to any holder of notes, or to any prospective purchaser designated by such holder, financial and other information described in Rule 144A(d)(4) with respect to us or Telcel to the extent required to permit such holder to comply with Rule 144A in connection with any resale of notes held by such holder.

For so long as any notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, we will notify the Luxembourg Stock Exchange of the event of default and, prior to publication of notice of the event of default in Luxembourg, submit a draft of the notice to the Luxembourg Stock Exchange.

Defaults, Remedies and Waiver of Defaults

You will have special rights if an event of default with respect to the notes that you hold occurs and is not cured, as described below.

Events of Default

Each of the following will be an “event of default” with respect to the notes:

- we or Telcel fail to pay the principal of the notes on its due date;
- we or Telcel fail to pay interest on the notes within 30 days after its due date;
- we or Telcel remain in breach of any covenant in the indenture for the benefit of holders of the notes, for 60 days after we receive a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the notes) stating that we are in breach;
- we or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to us or Telcel;
- we or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.\$25 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against us or Telcel in an aggregate amount in excess of U.S.\$25 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- any guarantee of the notes is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or Telcel, or any person acting on behalf of Telcel, denies or disaffirms its obligations under the guarantees of the notes.

Remedies Upon Event of Default

If an event of default occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of the notes, may declare the entire principal amount of the notes to be due and

payable immediately, and upon any such declaration the principal, any accrued interest and any additional amounts shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to us or Tercel, the entire principal amount of the notes and any accrued interest and any additional amounts will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional amounts will become immediately due and payable.

Each of the situations described above is called an acceleration of the maturity of the notes. If the maturity of the notes is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the notes may cancel the acceleration for the notes, provided that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to the notes have been cured or waived.

If any event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection, known as an indemnity, from expenses and liability. If the trustee receives an indemnity that is reasonably satisfactory to it, the holders of a majority in principal amount of the notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the notes.

Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the notes, the following must occur:

- you must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of the notes must make a written request that the trustee take action with respect to the notes because of the default and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and
- during those 60 days, the holders of a majority in principal amount of the notes must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the notes.

You will be entitled, however, at any time to bring a lawsuit for the payment of money due on any note held by you on or after its due date.

Book-entry and other indirect holders should consult their bank or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity.

Waiver of Default

The holders of not less than a majority in principal amount of the notes may waive a past default for the notes. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any note, however, without the approval of the particular holder of that note.

Modification and Waiver

There are three types of changes we can make to the indenture, the supplemental indenture, and the notes and guarantees.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of the notes:

- a change in the stated maturity of any principal or interest payment on the notes;
- a reduction in the principal amount, the interest rate or the redemption price for the notes;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on the notes;
- a change in the method of determining payments of principal, interest, additional amounts and other amounts in respect of the notes;
- a change in the place of any payment on the notes;
- an impairment of the holder's right to sue for payment of any amount due on its notes;
- a change in the terms and conditions of the obligations of the guarantor under the guarantees to make due and punctual payment of the principal, premium, if any, or interest in respect of the notes;
- a reduction in the percentage in principal amount of the notes needed to change the indenture, the supplemental indenture or the notes or guarantees; and
- a reduction in the percentage in principal amount of the notes needed to waive our compliance with the indenture or the supplemental indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of notes. These changes are limited to clarifications and changes that would not adversely affect the notes in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture, the supplemental indenture, or the notes or the guarantees will be required to be approved by the holders of a majority in principal amount of the notes. The required approval must be given by written consent.

The same majority approval will be required for us to obtain a waiver of any of our covenants in the indenture and the supplemental indenture. Our covenants include the promises we make about merging and creating liens on our interests, which we describe above under “—Mergers and Similar Transactions” and “—Certain Covenants.” If the holders approve a waiver of a covenant, we will not have to comply with it. The holders, however, cannot approve a waiver of any provision in the notes or guarantees, the indenture or the supplemental indenture, as it affects any note, that we cannot change without the approval of the holder of that note as described under in “—Changes Requiring Each Holder's Approval” above, unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the notes or request a waiver.

Defeasance

We may, at our option, elect to terminate (1) all of our or Telcel's obligations with respect to the notes and the related guarantees (“legal defeasance”), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the notes, the replacement of mutilated, destroyed, lost or stolen notes and the maintenance of agencies with respect to the notes or (2) our or Telcel's obligations under the covenants in the indenture, so that any failure to comply with such obligations will

not constitute an event of default (“covenant defeasance”). In order to exercise either legal defeasance or covenant defeasance, we must irrevocably deposit with the trustee Mexican pesos in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the notes then outstanding on the maturity date of the notes, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If we elect either legal defeasance or covenant defeasance with respect to the notes, we must so elect it with respect to all of the notes.

Special Rules for Actions by Holders

When holders take any action under the indenture or the supplemental indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, we will apply the following rules.

Only Outstanding Notes are Eligible for Action by Holders

Only holders of outstanding notes will be eligible to vote or participate in any action by holders of notes. In addition, we will count only outstanding notes in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a note will not be “outstanding” if it has been surrendered for cancellation or if we have deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

We will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture or the supplemental indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If we or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. We or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global notes may be set in accordance with procedures established by the depositary from time to time.

Additional Payment Provisions

Payments on the Notes

For interest due on the interest payment dates, we will pay the interest to the holder in whose name the note is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, we will pay the interest to the person or entity entitled to receive the principal of the note. For principal due on the notes at maturity, we will pay the amount to the holders of the notes against surrender of the notes at the proper place of payment.

The regular record dates relating to the interest payment dates for the notes are June 1 for the June 18 interest payment date and December 1 for the December 18 interest payment date. For the purpose of determining the holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 p.m., New York City time, on that day.

Payments on Global Notes

For notes issued in global form, we will make payments on the notes in accordance with the applicable policies of Clearstream, Luxembourg and Euroclear as in effect from time to time. Under those policies, we will

make payments directly to the common depositary for Clearstream, Luxembourg and Euroclear, or its nominee, and not to any indirect holders who own beneficial interests in a global note. An indirect holder's right to receive those payments will be governed by the rules and practices of Clearstream, Luxembourg and Euroclear and their participants.

Payments on Certificated Notes

For notes issued in certificated form, we will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date and we will make all other payments by check to the paying agent described below, against surrender of the note. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If we issue notes in certificated form, holders of notes in certificated form will be able to receive payments of principal and interest on their notes at the office of our paying agent maintained in New York City and, if the notes are then listed on the Luxembourg Stock Exchange for trading on the Euro MTF, at the office of our paying agent in Luxembourg. The rules of the Luxembourg Stock Exchange currently require cash or checks to be mailed to the addresses communicated by holders against the surrender of notes at the office of the paying agent in Luxembourg, if not surrendered at the office of another paying agent.

Payment When Offices Are Closed

If any payment is due on the notes on a day that is not a business day, we will make the payment on the day that is the next business day. Payments postponed to the next business day in this situation will be treated under the indenture and the supplemental indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the notes or guarantees, the indenture or the supplemental indenture; however, interest will accrue from the original due date to the next day that is a business day.

Paying Agents

If we issue notes in certificated form, we may appoint one or more financial institutions to act as our paying agents, at whose designated offices the notes may be surrendered for payment at their maturity. We may add, replace or terminate paying agents from time to time, provided that if any notes are issued in certificated form, so long as such notes are outstanding, we will maintain a paying agent in New York City. In addition, we will, for so long as any notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF, maintain a paying agent in Luxembourg. Initially, we have appointed the trustee, at its corporate trust office in New York City, as our principal paying agent, and The Bank of New York (Luxembourg) S.A. as our paying agent in Luxembourg. We may also choose to act as our own paying agent. We must notify you of changes in the paying agents as described under "—Notices" below.

Unclaimed Payments

All money paid by us to a paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to us. After that two-year period, the holder may look only to us for payment and not to the trustee, any other paying agent or anyone else.

Transfer Agents

We may appoint one or more transfer agents, at whose designated offices any notes in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. We will maintain a transfer agent in Luxembourg, for so long as any notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF. Initially, we have appointed the trustee, at its corporate office in New York City, and The Bank of New York (Luxembourg) S.A. as transfer agents. We may also choose to act as our own transfer agent.

We must notify you of changes in the transfer agents as described under “—Notices.” If we issue notes in certificated form, holders of notes in certificated form will be able to transfer their notes, in whole or in part, by surrendering the notes, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City, The Bank of New York, and, if the notes are then admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, at the office of our transfer agent in Luxembourg, The Bank of New York (Luxembourg) S.A. We will not charge any fee for the registration or transfer or exchange, except that we may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as we issue notes in global form, notices to be given to holders will be given to the common depositary for Clearstream, Luxembourg and Euroclear, in accordance with its applicable policies as in effect from time to time. If we issue notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee’s records, and will be deemed given when mailed. For so long as any notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, in accordance with the rules and regulations of the Luxembourg Stock Exchange, we will also publish all notices to the holders in a newspaper with general circulation in Luxembourg, which is expected to be *d’Wort* or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Governing Law

The indenture, the supplemental indenture and the notes and guarantees will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the notes, the guarantees or the indenture or the supplemental indenture (subject to the exceptions described below), each of us and the guarantor has agreed:

- to submit to the jurisdiction of any New York state or U.S. federal court sitting in New York City, and any appellate court thereof;
- that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and will waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of the place of residence or domicile of us or the guarantor; and
- to appoint CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America as process agent.

The process agent will receive, on behalf of each of us and the guarantor, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to us or the guarantor, as the case may be, at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding

against either us or the guarantor or our or its properties in other courts where jurisdiction is independently established.

To the extent that either we or the guarantor has or hereafter may acquire or have attributed to us or it any sovereign or other immunity under any law, each of us and the guarantor has agreed to waive, to the fullest extent permitted by law, such immunity in respect of any claims or actions regarding our or its obligations under the notes or the guarantees, respectively.

Currency Indemnity

Our obligations and the obligations of the guarantor under the notes and the guarantees, respectively, will be discharged only to the extent that the relevant holder is able to purchase U.S. dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. dollars in the amount originally to be paid, we and the guarantor have agreed to pay the difference. The holder, however, agrees that, if the amount of U.S. dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to us or the guarantor, as the case may be. The holder will not be obligated to make this reimbursement if we or the guarantor are in default of our or its obligations under the notes or the guarantees.

Our Relationship with the Trustee

The Bank of New York (as successor to JPMorgan Chase Bank, N.A.) is initially serving as the trustee for the notes. The Bank of New York may have other business relationships with us from time to time.

REGISTRATION RIGHTS

We and Telcel will enter into a registration rights agreement with the initial purchasers on the original issue date of the notes. In that agreement, we and Telcel will agree for the benefit of the holders of the notes to file with the SEC and use our reasonable best efforts to cause to become effective a registration statement relating to an offer to exchange the notes and guarantees for an issue of SEC-registered notes and guarantees with terms identical to the notes and guarantees (except that the exchange notes will not be subject to restrictions on transfer or to any increase in the interest rate as described below). References in the remainder of this section of the offering memorandum to the “notes” include both the notes and the guarantees, except where otherwise indicated or as the context otherwise requires.

After the SEC declares the exchange offer registration statement effective, we and Telcel will offer the exchange notes in exchange for the notes. The exchange offer will remain open for at least 20 business days after the date we mail notice of the exchange offer to holders of notes. For each note surrendered to us under the exchange offer, the holder will receive an exchange note of equal principal amount. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the notes or, if no interest has been paid on the notes, from the issue date of the notes.

If applicable interpretations of the staff of the SEC do not permit us and Telcel to effect the exchange offer, we and Telcel will use our reasonable best efforts to cause to become effective a shelf registration statement relating to resales of the notes and to keep that shelf registration statement effective until the expiration of the time period referred to in Rule 144(k) under the Securities Act, or such shorter period that will terminate when all notes covered by the shelf registration statement have been sold. We and Telcel will, in the event of such a shelf registration statement, provide to each holder of notes copies of a prospectus, notify each holder of notes when the shelf registration statement has become effective and take certain other actions to permit resales of the notes. A holder of notes that sells notes under the shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with those sales and will be bound by the provisions of the registration rights agreement that are applicable to such a noteholder (including certain indemnification obligations).

If the exchange offer is not completed (or, if required, the shelf registration statement is not declared effective) on or before November 30, 2007, the interest rate borne by the affected notes will be increased by 0.50% per year. This increase in the interest rate will terminate upon the earliest of (1) completion of the exchange offer, (2) the effectiveness of the shelf registration statement and (3) the notes being freely tradeable under the Securities Act.

If we and Telcel effect the exchange offer, we and Telcel will be entitled to close the exchange offer 20 business days after its commencement, provided that we and Telcel have accepted all notes validly surrendered in accordance with the terms of the exchange offer. Notes not tendered in the exchange offer shall bear interest at the rate set forth on the cover page of this offering memorandum and shall be subject to all the terms and conditions specified in the indenture and supplemental indenture regarding the notes, including transfer restrictions.

This summary of the provisions of the registration rights agreement does not purport to be complete and is subject to all the provisions of the registration rights agreement, a copy of which will be made available upon request. See “Where You Can Find More Information” for information concerning how to obtain a copy. If the notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, the exchange offer will be conducted in accordance with the requirements of the Luxembourg Stock Exchange.

Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. If the notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, the Luxembourg Stock Exchange will be informed and notice will be published in a Luxembourg newspaper in the event of any change in the rate of interest payable on the notes and to announce the beginning of, and results of, the exchange offer. For so long as any notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, documents prepared and all services provided for the exchange offer will be available at and through the offices of the Luxembourg listing agent.

FORM OF NOTES, CLEARING AND SETTLEMENT

Global Notes

The notes will be issued in the form of two registered notes in global form, without interest coupons (the “global notes”), as follows:

- notes sold to qualified institutional buyers under Rule 144A will be represented by the Rule 144A global note; and
- notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the Regulation S global note.

We will issue the notes as global notes registered in the name of a common depository for Clearstream, Luxembourg and Euroclear. Investors may hold book-entry interests in the global notes through organizations that participate, directly or indirectly, in Clearstream, Luxembourg and/or Euroclear. Book-entry interests in the notes and all transfers relating to the notes will be reflected in the book-entry records of Clearstream, Luxembourg and Euroclear.

The distribution of the notes will be cleared through Clearstream, Luxembourg and Euroclear. Any secondary market trading of book-entry interests in the notes will take place through participants in Clearstream, Luxembourg and Euroclear and will settle in same-day funds. Owners of book-entry interests in the notes will receive payments relating to their notes in U.S. dollars or Mexican pesos. Clearstream, Luxembourg and Euroclear have established electronic securities and payment transfer, processing, depository and custodial links among themselves and others, either directly or through custodians and depositories. These links allow securities to be issued, held and transferred among the clearing systems without the physical transfer of certificates. Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade securities across borders in the secondary market.

The policies of Clearstream, Luxembourg and Euroclear will govern payments, transfers, exchange and other matters relating to the investor’s interest in securities held by them. We have no responsibility for any aspect of the records kept by Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. We do not supervise these systems in any way.

Clearstream, Luxembourg and Euroclear and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. You should be aware that they are not obligated to perform or continue to perform these procedures and may modify them or discontinue them at any time.

Except as provided below, owners of beneficial interest in the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in certificated form and will not be considered the owners or holders of the notes under the indenture governing the notes, including for purposes of receiving any reports delivered by us or the trustee pursuant to the indenture. Accordingly, each person owning a beneficial interest in a note must rely on the procedures of Clearstream, Luxembourg and Euroclear and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, in order to exercise any rights of a holder of notes.

This description of the clearing systems reflects our understanding of the rules and procedures of Clearstream, Luxembourg and Euroclear as they are currently in effect. These systems could change their rules and procedures at any time. We have obtained the information in this section concerning Clearstream, Luxembourg and Euroclear and their book-entry systems and procedures from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

Each global note and beneficial interests in each global note will be subject to restrictions on transfer as described under “Transfer Restrictions.”

Exchanges Between the Global Notes

Beneficial interests in one global note may generally be exchanged for interests in another global note. Depending on whether the transfer is being made during or after the 40-day period commencing on the original issue date of the notes, and to which global note the transfer is being made, the trustee may require the seller to provide certain written certifications in the form provided in the indenture.

A beneficial interest in a global note that is transferred to a person who takes delivery through another global note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Clearstream, Luxembourg and Euroclear

Clearstream, Luxembourg has advised that: it is a duly licensed bank organized as a *société anonyme* incorporated under the laws of Luxembourg and is subject to regulation by the Luxembourg Commission for the supervision of the financial sector (*Commission de surveillance du secteur financier*); it holds securities for its customers and facilitates the clearance and settlement of securities transactions among them, and does so through electronic book-entry transfers between the accounts of its customers, thereby eliminating the need for physical movement of certificates; it provides other services to its customers, including safekeeping, administration, clearance and settlement of internationally traded securities and lending and borrowing of securities; it interfaces with the domestic markets in over 30 countries through established depositary and custodial relationships; its customers include worldwide securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other professional financial intermediaries; its U.S. customers are limited to securities brokers and dealers and banks; and indirect access to the Clearstream, Luxembourg system is also available to others that clear through Clearstream, Luxembourg customers or that have custodial relationships with its customers, such as banks, brokers, dealers and trust companies.

Euroclear has advised that: it is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Banking and Finance Commission (*Commission Bancaire et Financière*) and the National Bank of Belgium (*Banque Nationale de Belgique*); it holds securities for its participants and facilitates the clearance and settlement of securities transactions among them; it does so through simultaneous electronic book-entry delivery against payments, thereby eliminating the need for physical movement of certificates; it provides other services to its participants, including credit, custody, lending and borrowing of securities and tri-party collateral management; it interfaces with the domestic markets of several countries; its customers include banks, including central banks, securities brokers and dealers, banks, trust companies and clearing corporations and certain other professional financial intermediaries; indirect access to the Euroclear system is also available to others that clear through Euroclear customers or that have custodial relationships with Euroclear customers; and all securities in Euroclear are held on a fungible basis, which means that specific certificates are not matched to specific securities clearance accounts.

Clearance and Settlement Procedures

We understand that investors that hold their notes through Clearstream, Luxembourg or Euroclear accounts will follow the settlement procedures that are applicable to securities in registered form. Notes will be credited to the securities custody accounts of Clearstream, Luxembourg and Euroclear participants on the business day following the settlement date for value on the settlement date. They will be credited either free of payment or against payment for value on the settlement date.

We understand that secondary market trading between Clearstream, Luxembourg and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear. Secondary market trading will be settled using procedures applicable to securities in registered form.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream, Luxembourg and Euroclear on business days. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States or Mexico.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream, Luxembourg and Euroclear on the same business day as in the United States or Mexico. U.S. and Mexican investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream, Luxembourg or Euroclear is used.

Clearstream, Luxembourg or Euroclear will credit payments to the cash accounts of participants in Clearstream, Luxembourg or Euroclear in accordance with the relevant systemic rules and procedures, to the extent received by its depository. Clearstream, Luxembourg or the Euroclear, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Clearstream, Luxembourg or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

Same-Day Settlement and Payment

The initial purchasers will settle the notes in immediately available funds. We will make all payments of principal and interest on the notes in immediately available funds. Secondary market trading between participants in Clearstream, Luxembourg and Euroclear will occur in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to securities in immediately available funds. See “—Clearstream, Luxembourg and Euroclear” above.

Indeval

Holders of notes may own beneficial interests in the global notes through the facilities of Indeval, which is a participant in each of Clearstream, Luxembourg and Euroclear. Indeval is a privately owned securities depository that is authorized and acts as a clearinghouse, depository and central custodian for securities in Mexico. As such, Indeval provides settlement and transfer services and is the registration agent for Mexican securities transactions, eliminating the need for physical transfer of securities. We anticipate that Indeval will elect to receive payments on the notes in Mexican pesos. Accordingly, we expect that holders who own beneficial interests in the notes through Indeval will receive principal, interest, additional amounts and any other amounts due in respect of the notes in Mexican pesos (rather than U.S. dollars). In addition, holders who own beneficial interests in the notes through Indeval may be required to certify as to their residency in accordance with the procedures of Indeval.

Certificated Notes

We will issue notes to you in certificated registered form only if:

- the common depository is no longer willing or able to discharge its responsibilities properly, and neither the trustee nor we have appointed a qualified successor within 90 days; or
- we, at our option, notify the trustee that we elect to cause the issuance of certificated notes; or
- certain other events provided in the indenture should occur, including the occurrence and continuance of an event of default with respect to the notes.

If any these three events occurs, the trustee will reissue the notes in fully certificated registered form and will recognize the registered holders of the certificated notes as holders under the indenture. In all cases, certificated notes delivered in exchange for any global note will be registered in the names, and issued in any approved denominations, requested by the common depository and will bear a legend indicating the transfer restrictions of that particular global note.

In the event that we issue certificated securities under the limited circumstances described above, then holders of certificated securities may transfer their notes in whole or in part upon the surrender of the certificate to be transferred, together with a completed and executed assignment form endorsed on the certificated note, at the offices of the transfer agent in New York City or, so long as the notes are then admitted to trading on the Euro MTF, at the main office of the transfer agent in Luxembourg. Copies of this assignment form may be obtained at, as the case may be, the offices of the transfer agent in New York City and at the main office of the transfer agent in Luxembourg. Each time that we transfer or exchange a new note in certificated form for another note in certificated form, and after the transfer agent receives a completed assignment form, we will make available for delivery the new certificated note at, as the case may be, the offices of the transfer agent in New York City or at the main office of the transfer agent in Luxembourg. Alternatively, at the option of the person requesting the transfer or exchange, we will mail, at that person's risk, the new certificated note to the address of that person that is specified in the assignment form. Notwithstanding the foregoing, transfers of certificated notes will be subject to the restrictions set forth in "Transfer Restrictions."

For notes issued in certificated form, we will pay interest as set forth in "Description of Notes—Additional Payment Provisions—Payments on Certificated Notes."

Unless and until we issue the notes in fully certificated, registered form,

- you will not be entitled to receive a certificate representing your interest in the notes;
- all references in this offering memorandum to actions by holders will refer to actions taken by a depository upon instructions from their direct participants; and
- all references in this offering memorandum to payments and notices to holders will refer to payments and notices to the common depository, as the registered holder of the notes, for distribution to you in accordance with the policies and procedures of Clearstream, Luxembourg and Euroclear.

If we issue the notes in certificated registered form, so long as the notes are listed on the Euro MTF, we will maintain a paying agent and a transfer agent in Luxembourg. We will also publish a notice in Luxembourg in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) if any change is made in the paying agent or the transfer agent in Luxembourg.

TRANSFER RESTRICTIONS

The notes are subject to restrictions on transfer as summarized below. By purchasing notes, you will be deemed to have made the following acknowledgements, representations to and agreements with us, Telcel and the initial purchasers:

(1) You acknowledge that:

- the notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
- unless so registered, the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and, if applicable, in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing the notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or
- you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither we nor Telcel nor the initial purchasers nor any person representing us or the initial purchasers has made any representation to you with respect to us or Telcel or the offering of the notes, other than the information contained or incorporated by reference in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning us, Telcel and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from us and Telcel.

(4) If you are a purchaser of notes pursuant to Rule 144A, you represent that you are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. You further agree, and each subsequent holder of the notes by its acceptance of the notes will agree, that the notes may be offered, sold or otherwise transferred only:

(i) to a person who the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of a qualified institutional buyer or buyers in a transaction meeting the requirements of Rule 144A;

(ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act;

(iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available); or

(iv) pursuant to an effective registration statement under the Securities Act

(provided that as a condition to registration of transfer of the notes, we or the trustee may require delivery of any documents or other evidence that we or the trustee each, in our or its discretion, deems necessary or appropriate to evidence compliance with the exemption referred to in clause (3) above), and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

You also acknowledge that:

- the above restrictions on resale will apply from the issue date until the date that is two years (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the closing date and the last date that we or any of our affiliates was the owner of the notes or any predecessor of the notes (the “resale restriction period”), and will not apply after the applicable resale restriction period ends; and
- each note will contain a legend substantially to the following effect:

NEITHER THIS GLOBAL NOTE, ANY BENEFICIAL INTEREST HEREIN NOR THE GUARANTEE HEREOF HAS BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). NEITHER THIS GLOBAL NOTE, ANY BENEFICIAL INTEREST HEREIN NOR THE GUARANTEE HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT (PROVIDED THAT AS A CONDITION TO REGISTRATION OF TRANSFER OF THIS GLOBAL NOTE, AMÉRICA MÓVIL, S.A. DE C.V., OR THE TRUSTEE MAY REQUIRE DELIVERY OF ANY DOCUMENTS OR OTHER EVIDENCE THAT IT, IN ITS DISCRETION, DEEMS NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH THE EXEMPTION REFERRED TO IN CLAUSE (3) ABOVE), AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

(5) You acknowledge that we, Telcel, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

For a discussion of the requirements to effect exchanges or transfers of interests in the global notes, see “Form of Notes, Clearing and Settlement—Exchanges Between Global Notes.”

TAXATION

The following summary of certain Mexican federal and U.S. federal income tax considerations is based on the advice of Galicia y Robles, S.C., with respect to Mexican federal taxes, and on the advice of Cleary Gottlieb Steen & Hamilton LLP, New York New York, with respect to U.S. federal income taxes. This summary contains a description of certain material Mexican federal and U.S. federal income tax consequences of the purchase, ownership and disposition of the notes, but does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the notes. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States and Mexico.

This summary is based on the tax laws of Mexico and the United States as in effect on the date of this offering memorandum, as well as on rules and regulations of Mexico and regulations, rulings and decisions of the United States available on or before such date and now in effect. All of the foregoing are subject to change, which change could apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of notes should consult their own tax advisers as to the Mexican, United States or other tax consequences of the ownership and disposition of the notes, including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Mexican Tax Considerations

The following is a general summary of the principal consequences under the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) and rules and regulations thereunder, as currently in effect, of the purchase, ownership and disposition of the notes by a holder that is not a resident of Mexico and that will not hold notes or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment in Mexico (a “foreign holder”).

For purposes of Mexican taxation, tax residency is a highly technical definition that involves the application of a number of factors. Generally, an individual is a resident of Mexico if he or she has established his or her home in Mexico, and a corporation is considered a resident if it is incorporated under the laws of Mexico or it has its center of interests in Mexico. However, any determination of residence should take into account the particular situation of each person or legal entity.

U.S.-Mexico and Other Tax Treaties

The United States and Mexico have entered into a Convention for the Avoidance of Double Taxation (collectively, with subsequent Protocols thereto, referred to as the “tax treaty”). Provisions of the tax treaty that may affect the taxation of certain U.S. holders are summarized below. The United States and Mexico have also entered into an agreement that covers the exchange of information with respect to tax matters. Mexico has also entered into and is negotiating several other tax treaties that may reduce the amount of Mexican withholding tax to which payments of interest on the notes may be subject. Prospective purchasers of notes should consult their own tax advisors as to the tax consequences, if any, of such treaties.

Payments of Interest, Principal and Premium in Respect of the Notes

Under the Mexican Income Tax Law, payments of interest we make in respect of the notes (including payments of principal in excess of the issue price of such notes, which, under Mexican law, are deemed to be interest) to a foreign holder will be subject to a Mexican withholding tax assessed at a rate of 4.9% if (1) the notes are placed through banks or brokerage houses (*casas de bolsa*) in a country with which Mexico has entered into a tax treaty for the avoidance of double taxation, which is in effect, (2) the notes are registered with the Special Section (*Sección Especial*) of the National Registry of Securities (*Registro Nacional de Valores*, or the “RNV”), and (3) the information requirements specified by the Ministry of Finance and Public Credit (*Secretaría*

de Hacienda y Crédito Público, or the “SHCP”) under its general rules are satisfied. In case such requirements are not met, the applicable withholding tax rate will be 10%. We believe that, since the conditions described in (1) through (3) above will be satisfied, the applicable withholding tax rate will be 4.9%. (Pursuant to the Mexican Securities Law (*Ley del Mercado de Valores*) that became effective in June 2006, the Special Section of the RNV will cease to exist on December 24, 2006. Accordingly, after such date, the requirement referred to in item (2) above may be eliminated or modified.)

Under general regulations published in the Official Gazette of Mexico, which regulations are subject to amendment, supplement or repeal, the information requirements which must be satisfied, according to the SHCP, are generally that: (a) the notes are registered in the Special Section of the RNV (and copies of the approval of such registration are filed with the SHCP), (b) we timely file with the SHCP, after completion of the transaction contemplated by this document, certain information relating to the issuance of the notes, (c) we timely file with the SHCP information representing that no party related to us, jointly or individually, directly or indirectly, is the effective beneficiary of 5% or more of the aggregate amount of each interest payment, and (d) we maintain records which evidence compliance with items (a), (b) and (c) above. (Pursuant to the Mexican Securities Law that became effective in June 2006, the Special Section will cease to exist on December 24, 2006. Accordingly, after such date, the requirement referred to in item (a) above may be eliminated or modified.)

In connection with the elimination of the Special Section of the RNV mentioned above, we currently believe that the withholding tax rate applicable to a foreign holder of the notes will continue to be 4.9% after the disappearance of the Special Section of the RNV. However, since such withholding rate and its information and documentation requirements are determined by Mexican tax laws and regulations that are subject to amendments, supplements, or repeals by the Mexican Congress and the SHCP, respectively, we cannot assure what will be the applicable withholding rate for the notes or its documentation and information requirements in the future.

A higher income tax withholding rate (up to a maximum of 28%) will be applicable when the effective beneficiaries of payments treated as interest, whether directly or indirectly, individually or collectively with related persons, receive more than 5% of the aggregate amount of such payments on the notes and are (1) our shareholders who own, directly or indirectly, individually or collectively with related persons, more than 10% of our voting stock, or (2) entities more than 20% of whose stock is owned, directly or indirectly, individually or collectively with related persons, by us or by persons related to us. For such purposes, under the Mexican Income Tax Law, persons are considered related if one possesses an interest in the business of the other, common interests exist between them, or a third person holds an interest in the business or property of both persons.

Payments of interest we make with respect to the notes to a non-Mexican pension or retirement fund will be generally exempt from Mexican withholding taxes, provided that (1) the fund is the effective beneficiary of such interest income, (2) the fund is duly established pursuant to the laws of its country of origin, (3) the relevant interest income is exempt from taxation in such country, and (4) the fund is duly registered with the SHCP.

We have agreed, subject to specified exceptions and limitations, to pay additional amounts to the holders of notes in respect of the Mexican withholding taxes mentioned above. If we pay additional amounts in respect of such Mexican withholding taxes, any refunds of such additional amounts will be for our account. See “Description of Notes—Payment of Additional Amounts.”

Holders or beneficial owners of notes may be requested to provide certain information or documentation necessary to enable us to establish the appropriate Mexican withholding tax rate applicable to such holders or beneficial owners. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not provided on a timely basis, our obligations to pay additional amounts may be limited as set forth under “Description of Notes—Payment of Additional Amounts.”

In the event of certain changes in the applicable rate of Mexican withholding taxes on interest, we may redeem the notes, in whole but not in part, at a price equal to 100% of their principal amount plus accrued interest to the redemption date and any additional amounts thereon. See “Description of Notes—Redemption.”

Under the Mexican Income Tax Law, payments of principal we make to a foreign holder of notes will not be subject to any Mexican withholding or similar taxes.

Taxation of Disposition of Notes

The application of Mexican tax law provisions to capital gains realized on the disposition of notes by foreign holders is unclear. We expect that no Mexican tax will be imposed on transfers of notes between foreign holders effected outside of Mexico.

Other Mexican Taxes

A foreign holder will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings of notes. There are no Mexican stamp, issue registration or similar taxes payable by a foreign holder with respect to notes.

United States Tax Considerations

The following is a summary of the material U.S. federal income tax considerations that may be relevant to you as a U.S. Holder. As used herein, the term “U.S. Holder” means a beneficial owner of notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or (iii) any other person or entity subject to U.S. federal income tax on a net income basis in respect of its investment in notes.

This summary is based on the U.S. Internal Revenue Code of 1986 (the “Code”), as amended, regulations, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect.

This summary deals only with U.S. Holders that acquire the notes pursuant to their original offering at their issue price and that will hold the notes as capital assets, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects “mark-to-market” treatment, investor that will hold the notes as a hedge against currency risk or as a position in a “straddle” or conversion transaction, partnership or other pass-through entity for United States federal income tax purposes, person subject to the United States federal alternative minimum tax, tax-exempt organization or person that has a “functional currency” other than the U.S. dollar.

You should consult your tax advisor about the consequences of the acquisition, ownership and disposition of the notes, including the relevance to your particular situation of the considerations discussed below, as well as any foreign, state, local or other tax laws.

U.S. Internal Revenue Service Circular 230 Notice

To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that (a) any discussion of U.S. federal tax issues contained or referred to in this offering memorandum or any other document referred to herein is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Code, (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein, and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

U.S. Holders

Payments of Interest and Additional Amounts

Payments of the gross amount of interest and additional amounts (as defined in “Description of Notes—Payment of Additional Amounts” (*i.e.*, including amounts withheld in respect of Mexican withholding taxes))

with respect to a note are determined by reference to Mexican pesos and paid in U.S. dollars (unless a holder of the notes elects to receive a particular payment in Mexican pesos). For purposes of the following discussion, references to interest include any additional amounts.

A U.S. Holder that uses a cash method of tax accounting will include interest as ordinary income when paid. The amount of interest income realized by a cash basis U.S. Holder will be the U.S. dollar amount received (or the U.S. dollar value of the payment based on the exchange rate in effect on the date of receipt if the payment is received in Mexican pesos). A U.S. Holder that uses an accrual method of tax accounting must accrue interest in accordance with either of two methods. Under the first method, an accrual basis U.S. Holder will accrue interest income on the note in Mexican pesos and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. Holder's taxable year). Under the second method, an accrual basis U.S. Holder will accrue interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. A U.S. Holder that makes an election under the second method must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the U.S. Internal Revenue Service (the "IRS").

An accrual basis U.S. Holder will recognize foreign currency gain or loss on the receipt of an interest coupon paid in U.S. dollars if the amount actually received differs from the amount of the interest income accrued, to the extent that the difference is attributable to a difference between the exchange rate used to accrue that income and the exchange rate used to compute the U.S. dollar amount of the interest payment. If an accrual basis U.S. Holder receives the payment in Mexican pesos, such U.S. Holder will recognize foreign currency gain or loss on the receipt of the interest coupon if the exchange rate in effect on the date the payment is received differs from the exchange rate applicable to the previous accrual of that interest income. Foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the note. A cash basis U.S. Holder that elects to receive a particular interest payment in Mexican pesos generally will not recognize foreign currency gain or loss on the receipt of such payment.

Foreign Source Income and Foreign Tax Credits

The Mexican withholding tax that is imposed on interest will be treated as a foreign income tax eligible, subject to generally applicable limitations and conditions under U.S. tax law, for credit against a U.S. Holder's federal income tax liability or, at the U.S. Holder's election, for deduction in computing the holder's taxable income. Interest and additional amounts paid on the notes generally will constitute foreign source passive income (unless Mexican withholding is imposed at a rate of 5% or more, in which case, for taxable years beginning on or before December 31, 2006, such income generally will constitute foreign source high withholding tax interest). Gain or loss realized by a U.S. Holder on the sale or other disposition of a debt security generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes.

Therefore, in the event that Mexican income tax were to apply to any such gains, those taxes would not be creditable against the U.S. Holder's U.S. federal income tax liability, unless the U.S. Holder has other foreign source income in respect of which the credit could be applied.

The calculation and availability of foreign tax credits and, in the case of a U.S. Holder that elects to deduct foreign taxes, the availability of deductions, involves the application of complex rules that depend on a U.S. Holder's particular circumstances. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits and the treatment of additional amounts.

Disposition of the Notes

A U.S. Holder generally will recognize gain or loss on the sale, redemption or other disposition of the notes in an amount equal to the difference between the amount realized on such sale, redemption or other disposition

(less any amounts attributable to accrued but unpaid interest not previously included in income, which will be taxable as such) and the U.S. Holder's adjusted tax basis in the notes.

A U.S. Holder's tax basis in a note generally will be its U.S. dollar cost for that note. If a U.S. Holder pays the purchase price of a note in Mexican pesos, such holder's basis will generally be the U.S. dollar value of the purchase price on the date of purchase, calculated at the exchange rate in effect on that date.

If a U.S. Holder elects to receive payment of principal in Mexican pesos upon maturity or retirement of a note, the amount realized generally will be the U.S. dollar value of the Mexican pesos received, calculated at the exchange rate in effect on the date the note matures or is retired. Similarly, if a note is sold before maturity for an amount denominated in Mexican pesos, the amount realized generally will be the U.S. dollar value of the Mexican pesos received, calculated at the exchange rate in effect on the date the note is sold. If the notes are traded on an established securities market, however, a cash basis U.S. Holder (or an electing accrual basis U.S. Holder) will determine its amount realized by using the exchange rate in effect on the settlement date.

Subject to the foreign currency rules discussed below, gain or loss realized by a U.S. Holder on a sale, redemption or other disposition of the notes generally will be capital gain or loss. Such gain or loss will be long-term capital gain or loss if, at the time of the disposition, the notes have been held for more than one year. The deductibility of capital losses is subject to limitations.

If a U.S. Holder pays the purchase price of a note in Mexican pesos, a portion of its gain or loss with respect to the principal amount of the note may be treated as exchange gain or loss, which is treated as ordinary income or loss. For these purposes, the principal amount of the note will be the U.S. Holder's purchase price for the note in Mexican pesos, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the date of the sale, redemption or other disposition of the note and (ii) the U.S. dollar value of the principal amount determined on the date the U.S. Holder purchased the note. The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the note.

Information Reporting and Back-up Withholding

The paying agent may be required to file information returns with the Internal Revenue Service ("IRS") with respect to payments made to certain U.S. Holders on the notes. A U.S. Holder may be subject to backup withholding on the payments that the U.S. taxpayer receives on the notes unless such U.S. holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or (ii) provides a correct taxpayer identification number on an IRS Form W-9, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Any amounts withheld under these rules will be allowed as a credit against such U.S. Holder's federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is furnished to the IRS.

Non-U.S. Holders

A holder or beneficial owner of notes that is not a U.S. Holder (a "non-U.S. Holder") generally will not be subject to U.S. federal income or withholding tax on interest received on the notes. In addition, a non-U.S. Holder will not be subject to U.S. federal income or withholding tax on gain realized on the sale of notes unless (i) the gain is effectively connected with the non-U.S. Holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment) or (ii) in the case of gain realized by an individual non-U.S. Holder, the non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

European Union Directive on the Taxation of Savings Income

Under European council Directive 2003/48/EC on the taxation of savings income, each EU member state is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other member state, however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 percent, unless during such period they elect otherwise.

The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain member states, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to an individual resident in member state. In addition, the member states have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a member state to an individual resident in one of those territories.

As indicated above under “Description of Notes—Payment of Additional Amounts”, no additional amounts will be payable with respect to a note where such withholding or deduction is imposed or levied on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or to any law implementing or complying with, or introduced in order to conform to such Directive. Holders should consult their taxed advisers regarding the implications of the Directive in their particular circumstances.

PLAN OF DISTRIBUTION

HSBC Securities (USA) Inc. and UBS Securities LLC are acting as joint book-running managers of this offering. Subject to the terms and conditions in the purchase agreement among us, Telcel and the initial purchasers, we have agreed to sell to the initial purchasers, and each initial purchaser has agreed to purchase from us, the aggregate principal amount of notes set forth below:

<u>Initial Purchasers</u>	<u>Principal Amount of Notes</u>
HSBC Securities (USA) Inc.	Ps.3,400,000,000
UBS Securities LLC	3,400,000,000
ING (Mexico), S.A. de C.V., Casa de Bolsa ING	648,000,000
Citigroup Global Markets Inc.	328,000,000
Merrill Lynch International	224,000,000
Total	<u>Ps.8,000,000,000</u>

The purchase agreement provides that the obligations of the initial purchasers to purchase the notes are subject to approval of legal matters by counsel and to other conditions. The purchase agreement provides that the initial purchasers will purchase all of the notes if any of them are purchased.

The initial purchasers initially propose to offer the notes for resale at the issue price set forth on the cover page of this offering memorandum. After the initial offering, the initial purchasers may change the offering price and any other selling terms.

We have agreed that we will indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the initial purchasers may be required to make in respect of those liabilities.

The notes have not been registered under the Securities Act or the securities laws of any other place. In the purchase agreement, each initial purchaser has agreed that:

- The notes may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements.
- During the initial distribution of the notes, it will offer or sell notes only to qualified institutional buyers in compliance with Rule 144A and outside the United States in compliance with Regulation S.

In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act.

Any initial purchaser which is not registered in the United States as a broker-dealer will not effect any sales of the notes in the United States, except through a U.S. registered broker-dealer affiliate.

Selling Restrictions

United Kingdom

The initial purchasers have represented, warranted and agreed that:

- they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by them in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the notes in, from or otherwise involving the United Kingdom.

Mexico

The initial purchasers have represented, warranted and agreed that the notes have not been registered in Mexico with the *Sección de Valores* (Securities Section) of the *Registro Nacional de Valores* (National Securities Registry) maintained by the *Comisión Nacional Bancaria y de Valores* (National Banking and Securities Commission), and that no action has been or will be taken that would permit a public offering of the notes in Mexico, and that, accordingly, the notes may not be publicly offered or sold in Mexico.

Hong Kong

The initial purchasers have represented, warranted and agreed that they have not offered or sold any notes by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Japan

The initial purchasers have represented, warranted and agreed that they have not offered or sold and will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

The initial purchasers have represented, warranted and agreed that they have not offered or distributed and will not circulate or distribute this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, and they have not offered or sold, and will not offer or sell the notes, and have not made and will not make an invitation for subscription or purchase of the notes, whether directly or indirectly, to persons in Singapore other than under circumstances in which such offer, sale or invitation does not constitute an offer or sale, or invitation for subscription or purchase, of the notes to the public in Singapore.

Netherlands

The initial purchasers have represented, warranted and agreed that the notes may not be offered, sold, transferred or delivered in or from the Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than to banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international and supranational institutions and other comparable entities, including, among others, treasuries and finance companies of large enterprises, which trade or invest in securities in the course of their profession or trade. Individuals or legal entities who or which do not trade or invest in securities in the course of their profession or trade may not participate in the offering of the notes, and this offering memorandum or any other offering material relating to the notes may not be considered an offer or the prospect of an offer to sell or exchange the notes.

New Issue of Notes

Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. However, even if admission to listing is obtained, we will

not be required to maintain this listing. See “Listing and General Information.” The notes are a new issue of securities, and there is currently no established trading market for the notes. In addition, the notes are subject to certain restrictions on resale and transfer as described under “Transfer Restrictions.” The initial purchasers have advised us that they intend to make a market in the notes, but they are not obligated to do so. The initial purchasers may discontinue any market making in the notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices that you receive when you sell will be favorable.

Stabilization

In connection with this offering, the initial purchasers may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves sales of notes in excess of the principal amount of notes to be purchased by the initial purchasers in this offering, which creates a short position for the initial purchasers. Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

Other Matters

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this offering memorandum (this settlement cycle being referred to as “T+6”). Since trades in the secondary market generally settle in three business days, purchasers who wish to trade notes before the third business day prior to settlement will be required, by virtue of the fact that the notes initially will settle in T+6, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

The initial purchasers have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us and our affiliates. The initial purchasers have received or will receive customary fees and commissions for these transactions.

LEGAL MATTERS

The validity of the notes offered and sold in this offering will be passed upon by Cleary Gottlieb Steen & Hamilton LLP, our United States counsel, and by Simpson Thacher & Bartlett LLP, United States counsel to the initial purchasers. Certain matters of Mexican law relating to the notes will be passed upon by Galicia y Robles, S.C., our Mexican counsel, and by Mijares, Angoitia, Cortés y Fuentes, S.C., Mexican counsel to the initial purchasers.

INDEPENDENT AUDITORS

The consolidated financial statements of América Móvil, S.A. de C.V. as of December 31, 2005 and 2004 and for each of the three years in the period ended December 31, 2005, appearing in América Móvil, S.A. de C.V.'s annual report (Form 20-F) for the year ended December 31, 2005, have been audited by Mancera, S.C., a Member Practice of Ernst & Young Global, an independent registered accounting firm, as stated in their reports thereon, included therein, and incorporated by reference herein which, as to the years 2005, 2004 and 2003 are based on the reports of BDO Siedman LLP, a registered public accounting firm.

LISTING AND GENERAL INFORMATION

1. Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. However, even if admission to listing is obtained, we will not be required to maintain this listing.

2. The notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and ISIN numbers for the notes are as follows:

	<u>Common Code Number</u>	<u>ISIN Number</u>
Restricted Global Notes	027890644	XS0278906440
Regulation S Global Notes	027885977	XS0278859771

3. We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the notes. Resolutions of our board of directors, dated February 7, 2006, authorized the issuance of the notes. Resolutions of Telcel's board of directors, dated February 7, 2006, authorized execution and delivery of the guarantees.

4. Except as described in this offering memorandum, including the document incorporated by reference herein, there are no pending actions, suits or proceedings against or affecting us or any of our subsidiaries or any of their respective properties, which, if determined adversely to us or any such subsidiary, would individually or in the aggregate have an adverse effect on our financial condition and that of our subsidiaries taken as a whole or would adversely affect our ability to perform our obligations under the notes or which are otherwise material in the context of the issue of the notes, and, to the best of our knowledge, no such actions, suits or proceedings are threatened.

5. Except as described in this offering memorandum, since December 31, 2005, there has been no change (or any development or event involving a prospective change of which we are or might reasonably be expected to be aware) which is materially adverse to our financial condition and that of our subsidiaries taken as a whole.

6. For so long as any of the notes are outstanding and admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, copies of the following items in English will be available free of charge from The Bank of New York (Luxembourg) S.A., our listing agent, at its office at Aerogolf Center, 1A Hoehenhof, L-1736 Senningerberg, Luxembourg:

- our audited consolidated financial statements as of December 31, 2005 and 2004 and for the years ended December 31, 2005, 2004 and 2003;
- our audited consolidated financial statements as of future dates and for future years;
- our unaudited condensed interim financial statements as of October 31, 2006 and for the ten-month periods ended October 31, 2005 and 2006; and
- any related notes to these items.

For as long as any of the notes are outstanding and admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, copies of our current annual financial statements and unaudited financial information may be obtained from our Luxembourg listing agent at its office listed above. We currently publish our unaudited financial information on a quarterly basis. We do not prepare non-consolidated financial statements. Telcel does not publicly disclose or file its financial statements.

During the same period, the indenture, the supplemental indenture and a copy of our articles of incorporation will be available for inspection at the offices of The Bank of New York and The Bank of New York (Luxembourg) S.A. We will, for so long as any notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF, maintain a paying agent in New York as well as in Luxembourg.

7. Copies of our constitutive documents (together with a certified English translation thereof) are available at the office of The Bank of New York (Luxembourg) S.A., the paying agent in Luxembourg.

8. América Móvil, S.A. de C.V. is a corporation (*sociedad anónima de capital variable*) organized under the laws of Mexico with its principal executive offices at Lago Alberto No. 366, Edificio Telcel I, Piso 2, Colonia Anáhuac, C.P. 11320, México D.F., México. We were incorporated on September 29, 2000. Our corporate object, as stated in Article Third of our bylaws, is to carry out any object not prohibited by law. We were registered in the *Registro Público de Comercio* (Public Registry of Commerce) of Mexico City on October 13, 2000 under the number 263770.

9. Radiomóvil Dipsa, S.A. de C.V., also known as “Telcel,” is a corporation (*sociedad anónima de capital variable*) organized under the laws of Mexico with its principal executive offices at Lago Alberto No. 366, Edificio Telcel I, Piso 2, Colonia Anáhuac, C.P. 11320, México D.F., México. Telcel was incorporated on February 8, 1956. Telcel’s corporate object, as stated in Article 3 of Telcel’s bylaws, is to provide telecommunications services in Mexico and to take any other actions not prohibited by law. Telcel was registered in the Public Registry of Commerce of Mexico City on April 6, 1956 under the number 498.

10. The trustee for the notes is The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), having its office at 101 Barclay Street, New York, New York 10286. The terms and conditions of our appointment of The Bank of New York as trustee, including the terms and conditions under which The Bank of New York may be replaced as trustee, are contained in the indenture and the supplemental indenture available for inspection at the offices of The Bank of New York and The Bank of New York (Luxembourg) S.A.

11. The amount of our paid-in, authorized capital stock was Ps.34,914 million as of December 31, 2005 and Ps.34,906 million as of October 31, 2006. Our capital stock is comprised of three classes: Class AA; Class A; and Class L. Each AA Share and A Share entitles the holder thereof to one vote at any meeting of our shareholders. Each L Share entitles the holder thereof to one vote solely on certain limited matters. The amount of Telcel’s paid-in, authorized capital stock was Ps.9,360 as of December 31, 2005 and Ps.11,915 million as of October 31, 2006. For further information about our capital structure, including information about the number of shares outstanding in each class, see “Item 7—Major Shareholders and Related Party Transactions—Major Shareholders” in our 2005 Form 20-F.

12. The members of Telcel's board of directors are Daniel Hajj Aboumrad, Carlos José García Moreno Elizondo and Alejandro Cantú Jiménez. Daniel Hajj Aboumrad, Fernando Benjamín Ocampo Carapia and Eutimio Quevedo Rivera are the chief executive officer, chief financial officer and chief accounting officer, respectively, of Telcel.

INDEX TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	<u>Page</u>
<i>Unaudited Condensed Consolidated Interim Financial Statements of América Móvil, S.A. de C. V.</i>	
Unaudited Condensed Consolidated Statements of Income for the ten months ended October 31, 2006 and 2005	F-2
Unaudited Condensed Consolidated Balance Sheets as of October 31, 2006 and October 31, 2005	F-3
Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity for the ten months ended October 31, 2006	F-4
Unaudited Condensed Consolidated Statements of Changes in Financial Position for the ten months ended October 31, 2005 and 2006	F-5
Notes to Unaudited Condensed Consolidated Financial Statements	F-6

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Income

(Amounts in thousands of constant Mexican pesos as of October 31, 2006, except for earnings per share)

	Ten-month period ended October 31,		
	2005	2006	2006 Millions of U.S. dollars
Operating revenues:			
Services:			
Usage charges	P.73,199,332	P.89,061,576	US\$8,316
Monthly rent	22,797,233	31,022,945	2,897
Long-distance	11,344,385	12,988,001	1,213
Other services	17,156,784	24,115,730	2,252
Sales of handsets and accessories	26,508,351	29,701,229	2,773
	<u>151,006,085</u>	<u>186,889,481</u>	<u>17,451</u>
Operating costs and expenses:			
Cost of sales and services	72,841,141	84,640,799	7,903
Commercial, administrative and general	32,020,716	34,039,832	3,179
Depreciation and amortization	17,868,796	21,598,599	2,017
	<u>122,730,653</u>	<u>140,279,230</u>	<u>13,099</u>
Operating income	<u>28,275,432</u>	<u>46,610,251</u>	<u>4,352</u>
Comprehensive financing income:			
Interest income	2,821,764	2,954,080	276
Interest expense	(6,132,435)	(6,174,971)	(577)
Exchange gain, net	3,994,578	2,336,231	218
Monetary gain, net	2,271,750	2,358,320	220
Other financing cost, net	(2,153,855)	(1,479,901)	(138)
	<u>801,802</u>	<u>(6,241)</u>	<u>(1)</u>
Other (expenses) income, net	<u>(156,524)</u>	<u>959,532</u>	<u>90</u>
Income before income tax and employee profit sharing	<u>28,920,710</u>	<u>47,563,542</u>	<u>4,441</u>
Provisions for:			
Income tax (Note 16)	2,663,925	12,011,191	1,122
Employee profit sharing	278,262	257,708	24
	<u>2,942,187</u>	<u>12,268,899</u>	<u>1,146</u>
Income before equity in results of affiliates	<u>25,978,523</u>	<u>35,294,643</u>	<u>3,295</u>
Equity in net results of affiliates	<u>(51,292)</u>	<u>51,171</u>	<u>5</u>
Net income before minority interest	<u>25,927,231</u>	<u>35,345,814</u>	<u>3,300</u>
Minority interest	<u>(66,073)</u>	<u>(50,860)</u>	<u>(5)</u>
Net income	<u><u>P.25,861,158</u></u>	<u><u>P.35,294,954</u></u>	<u><u>US\$3,295</u></u>
Weighted average common shares outstanding (in millions)	<u>36,590</u>	<u>36,215</u>	<u>36,215</u>
Net income per share	<u><u>P.0.71</u></u>	<u><u>P.0.97</u></u>	<u><u>US\$0.09</u></u>

See accompanying notes.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Unaudited Condensed Consolidated Balance Sheets

(Amounts in thousands of constant Mexican pesos as of October 31, 2006)

	Audited December 31, 2005	(Unaudited) October 31, 2006	(Unaudited) October 31, 2006 Millions of U.S. dollars
Assets			
Current assets:			
Cash and equivalents	P.11,622,105	P.38,605,808	US\$3,605
Marketable securities (Note 2)	1,551,031	1,932,371	180
Accounts receivable, net (Note 3)	32,803,652	33,782,622	3,155
Inventories, net (Note 4)	13,349,025	17,633,695	1,647
Other assets (Note 5)	2,682,046	3,867,087	361
Total current assets	62,007,859	95,821,583	8,948
Investments in affiliates and others (Note 8)	500,622	579,909	54
Plant, property and equipment, net (Note 6)	115,263,021	120,753,397	11,276
Licenses (Note 7)	32,209,496	32,763,332	3,059
Other assets, net (Note 5)	27,050,890	26,167,764	2,443
Total assets	<u>P.237,031,888</u>	<u>P.276,085,985</u>	<u>US\$25,780</u>
Liabilities and stockholders' equity			
Current liabilities:			
Short-term debt and current portion of long-term debt (Note 11)	P.17,527,869	P.8,117,635	US\$758
Accounts payable and accrued liabilities (Note 10)	57,605,566	54,348,567	5,075
Taxes payable	5,816,228	15,443,143	1,442
Financial instruments (Note 9)	1,919,664	1,538,051	144
Deferred revenues	9,065,635	10,428,185	974
Total current liabilities	91,934,962	89,875,581	8,393
Long-term debt (Note 11)	53,106,401	70,566,308	6,589
Deferred taxes (Note 16)	3,590,406	2,897,831	271
Deferred credits	118,172	163,170	15
Total liabilities	148,749,941	163,502,890	15,268
Stockholders' equity (Note 15):			
Capital stock	34,914,163	34,905,639	3,259
Retained earnings:			
Prior years	35,853,696	57,017,773	5,324
Net income for the period	32,609,220	35,294,954	3,295
	68,462,916	92,312,727	8,619
Other accumulated comprehensive income items	(16,148,689)	(15,264,311)	(1,425)
Total majority stockholders' equity	87,228,390	111,954,055	10,453
Minority interest	1,053,557	629,040	59
Total stockholders' equity	88,281,947	112,583,095	10,512
Total liabilities and stockholders' equity	<u>P.237,031,888</u>	<u>P.276,085,985</u>	<u>US\$25,780</u>

See accompanying notes.

AMÉRICA MÓVIL, S.A. DE C.V. AND ITS SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Changes on Shareholders' Equity

(Amounts in thousands of constant Mexican pesos as of October 31, 2006)

		<u>Retained earning</u>			<u>Other accumulated comprehensive loss items</u>	<u>Total majority stockholders' equity</u>	<u>Minority interest</u>	<u>Comprehensive income</u>	<u>Total stockholders' equity</u>
	<u>Capital Stock</u>	<u>Legal Reserve</u>	<u>Unappropriated</u>	<u>Total</u>					
Balances at December 31, 2005	P.34,914,163	P.461,041	P.68,001,875	P.68,462,916	P.(16,148,689)	P.87,228,390	P.1,053,557		P.88,281,947
Acquisitions of minority interests and excess of the price paid over book value (Note 8)			(1,355,594)	(1,355,594)		(1,355,594)	(498,020)		(1,853,614)
Dividends paid			(3,688,248)	(3,688,248)		(3,688,248)			(3,688,248)
Cash purchase of Company's own shares	(8,524)		(6,401,301)	(6,401,301)		(6,409,825)			(6,409,825)
Comprehensive income:									
Net income for the period			35,294,954	35,294,954		35,294,954	50,860	P.35,345,814	35,345,814
Other comprehensive income items:									
Effect of translation of foreign entities					(863,293)	(863,293)	34,606	(828,687)	(828,687)
Results from holding nonmonetary assets, net of deferred taxes					1,389,261	1,389,261	(11,963)	1,377,298	1,377,298
Current-year valuation effect of available-for-sale securities (Note 3)					358,410	358,410		358,410	358,410
Comprehensive income									
Balances at October 31, 2006	<u>P.34,905,639</u>	<u>P.461,041</u>	<u>P.91,851,686</u>	<u>P.92,312,727</u>	<u>P.(15,264,311)</u>	<u>P.111,954,055</u>	<u>P.629,040</u>	<u>P.36,252,835</u>	<u>P.112,583,095</u>

See accompanying notes.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Changes in Financial Position

(Amounts in thousands of constant Mexican pesos as of October 31, 2006)

	Ten-month period ended October 31,		2006 Millions of U.S. dollars
	2005	2006	
Operating activities:			
Net income before minority interest	P.25,927,231	P.35,345,814	US\$3,300
Add (deduct) items not requiring the use of resources:			
Depreciation and amortization	17,868,796	21,598,599	2,017
Deferred income tax	1,572,699	(283,640)	(26)
Equity in results of affiliates	51,292	(51,171)	(5)
Licenses	—	(1,267,114)	(119)
Changes in operating assets and liabilities	10,526,598	(2,547,786)	(238)
Resources provided by operating activities	<u>55,946,616</u>	<u>52,794,702</u>	<u>4,929</u>
Financing activities:			
New loans	22,809,636	30,385,029	2,837
Repayment of loans	(21,846,584)	(19,852,594)	(1,854)
Effect of inflation an exchange rate differences on debt	(2,910,199)	(2,482,762)	(232)
Decrease in capital stock and retained earnings due to purchase of Company's own shares	(4,661,752)	(6,409,825)	(598)
Cash dividends paid	(2,935,990)	(3,688,248)	(344)
Resources used in financing activities	<u>(9,544,889)</u>	<u>(2,048,400)</u>	<u>(191)</u>
Investing activities:			
Investment in plant, property and equipment	(50,336,317)	(22,567,230)	(2,107)
Investment in subsidiaries and affiliated companies	145,885	(1,414,280)	(132)
Instruments available for sale	—	1,277,759	119
Minority interest	(756,110)	(475,377)	(44)
Investments in licenses	(1,636,415)	(583,471)	(54)
Initial cash from companies acquired	(230,762)	—	—
Resources used in investing activities	<u>(52,813,719)</u>	<u>(23,762,599)</u>	<u>(2,218)</u>
Net (decrease) increase in cash and cash equivalents	(6,411,992)	26,983,703	2,520
Cash and cash equivalents at beginning of the period	17,590,487	11,622,105	1,085
Cash and cash equivalents at end of period	<u>P.11,178,495</u>	<u>P.38,605,808</u>	<u>US\$3,605</u>

See accompanying notes.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements (Amounts in thousands of constant Mexican pesos as of October 31, 2006 except where otherwise indicated)

1. Significant Accounting Policies

a) Basis of Presentation

On January 1, 2006, the requirements of the Mexican Financial Reporting Standards Research and Development Board (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C., or CINIF) went into effect and replaced the standards previously issued by the Accounting Principles Board of the Mexican Institute of Public Accountants. The adoption of these new rules will have no effect on the Company's financial statements.

The accompanying unaudited condensed consolidated financial statements are presented based on the same accounting principles described in the consolidated audited financial statements of América Móvil, S.A. de C.V. and subsidiaries (collectively, the "Company") at December 31, 2005 and for the year then ended (audited consolidated financial statements), and were prepared in accordance with Mexican Financial Reporting Standards issued by the CINIF applicable to interim financial information. Consequently, these interim financial statements do not include all the information and notes required by the CINIF for complete financial statements. For further information, refer to the audited consolidated financial statements at and for the year ended December 31, 2005. However, in the opinion of Company's management, all the adjustments (consisting of normal recurring provisions) that were considered necessary for a reasonable presentation have been included. The results of operations for the ten-month period ended October 31, 2006 are not necessarily indicative of the results that may be expected for the year ending December 31, 2006.

The unaudited condensed balance sheet as of December 31, 2005 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by CINIF. For further information, refer to the audited consolidated financial statements at December 31, 2005.

b) Consolidation

The unaudited condensed consolidated financial statements include the accounts of América Móvil and its subsidiaries, all of which are more than 90% owned (see Note 1 to the audited consolidated financial statements at and for the year ended December 31, 2005). All of the companies operate in the telecommunications sector or provide services to companies operating in such sector. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. The minority interest relates to the Company's foreign subsidiaries.

c) Recognition of the effects of inflation on financial information

All the accompanying financial statements and these notes were restated to constant pesos as of October 31 2006. The restatement factors applied to the financial statements at December 31, 2005 and October 31, 2005 was 1.0306 and 1.0443, which represent the rate of inflation from December 31, 2005 and October 31, 2005 through October 31, 2006, respectively, based on the Mexican National Consumer Price Index (NCPI) published by Banco de México (the Central Bank).

The condensed consolidated balance sheet as of December 31, 2005 has been derived from the audited consolidated financial statements at that date, which were presented in constant pesos as of December 31, 2005.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

d) Basis of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries and affiliates are translated into Mexican pesos in conformity with Mexican accounting Bulletin B-15, *Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations*, issued by the Mexican Institute of Public Accountants, or MIPA, as follows:

- The financial statements as reported by the subsidiaries abroad were adjusted to conform to Mexican GAAP. Such conversion includes, among other adjustments, the recognition of the effects of inflation as required by Mexican accounting Bulletin B-10, using restatement factors of each country.
- The financial information already restated to include inflationary effects, is translated to Mexican pesos as follows: 1) all balance sheet amounts, except for stockholders' equity accounts, were translated at the prevailing exchange rate at year-end; 2) stockholders' equity accounts were translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated; and 3) statement of income accounts were translated at the exchange rate at the average of the reporting period.
- Exchange rate differences and the monetary effect derived from intercompany monetary items were not eliminated in the consolidated statements of income.
- The difference resulting from the translation process is recorded in the caption "Effect of translation of foreign entities" and is included as part of stockholders' equity under the caption "Other accumulated comprehensive income items." For the ten-month period ended October 31, 2006, the translation (loss) aggregated P.(828,687).

The Company's financial statements for prior periods were restated to Mexican pesos with purchasing power at October 31, 2006 based on the rates of inflation in México. The effects of inflation and variances in exchange rates were not material.

e) Cash and cash equivalents

Cash and cash equivalents consist basically of bank deposits and highly liquid investments with original maturities of less than 90 days. Such investments are stated at acquisition cost plus accrued interest, which is similar to market value.

f) Investments in marketable securities

At December 31, 2005, and at October 31, 2006, marketable securities held for trading purposes consisted of equity securities and foreign government bonds. Available-for-sale securities at December 31, 2005, and at October 31, 2006, consisted of equity securities. All investments in marketable securities are presented at market value.

In accordance with Mexican Bulletin C-2, *Financial Instruments*, changes in the fair value of instruments classified as available-for-sale are to be recognized in stockholders' equity until such instruments are sold, whereas changes in the fair value of instruments classified as for trading must be recognized in the statements of income.

Changes associated with the purchase, sale and maturity of financial instruments classified as available-for-sale are to be recognized in the statement of changes in financial position as variances derived from

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

investing activities, while changes in the initial and ending balance of instruments held for trading are to be recognized in such statement as variances derived from operating activities.

Also, as per Bulletin C-2, the Company follows the policy of determining at the balance sheet date whether there is objective evidence of impairment in the value of a financial asset or of a group of financial assets. For the ten-month period ended October 31, 2005, there were no impairment losses; however, for the ten-month period ended October 31, 2006, the Company determined an impairment loss of P.1,277,759. (See Note 2)

For the year ended December 31, 2005 and for the ten-month period ended October 31, 2006, there were no transfers between financial asset categories.

g) Convenience translation

U.S. dollar amounts as of October 31, 2006 shown in the unaudited condensed consolidated financial statements have been included solely for the convenience of the reader and are translated from Mexican pesos with purchasing power at October 31, 2006, solely as matter of convenience, at an exchange rate of Ps. 10.71 per dollar, the October 31, 2006 exchange rate. Such translations should not be construed as a representation that the peso amounts have been or could be converted into U.S. dollars at this or any other rate.

h) Reclassifications

Certain amounts shown in the 2005 financial statements as originally issued have been reclassified for uniformity of presentation with 2006.

2. Marketable Securities

A summary of marketable securities as of December 31, 2005 and October 31, 2006 is as follows:

	December 31, 2005		October 31, 2006	
	Cost	Fair Value	Cost	Fair Value
Marketable securities held for trading purposes:				
Equity securities	P.45,799	P.23,682	P.978,583	P.1,324,371
	45,799	23,682	978,583	1,324,371
Available for sale securities				
U.S. Commercial, S.A de C.V.(USCO)	1,881,712	1,527,349	1,881,712	608,000
	<u>P.1,927,511</u>	<u>P.1,551,031</u>	<u>P.2,860,295</u>	<u>P.1,932,371</u>

a) At December 31, 2004 and 2005 and at October 31, 2005 and 2006, the net unrealized gain (loss) on for trading securities was P.117,064, P.(22,117), P.(22,801) and P.345,788, respectively. Those amounts were recognized in results of operations of the period. The net realized gain was P.545,805, P.234,113 and P.93,695 for the years ended December 31, 2003, 2004 and 2005, respectively, and P.93,625 for the ten-month periods ended October 31, 2005. Those amounts were credited to results of operations of the period. For the ten-month period ended October 31, 2006, the Company has not sold any equity investments.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

b) At December 31, 2005, the net unrealized (loss) on investments classified as available-for-sale of P.(354,363) was recorded under “Other accumulated comprehensive income” items in stockholders’ equity in conformity with new Bulletin C-2. In previous years, there were no investments of this type.

c) As a result of the loss in the market value of the securities of the issuer USCO, at October 31, 2006, the Company recorded a loss of P.1,277,759 in its results of operations under “Other financing costs, net” due to the impairment of available-for-sale securities.

3. Accounts Receivable

Accounts receivable consists of the following:

	December 31, 2005	October 31, 2006
Subscribers	P.16,558,967	P.15,699,976
Retailers	5,162,293	4,547,395
Cellular operators for interconnections	3,889,857	5,795,742
Recoverable taxes	8,722,541	8,500,350
Related parties	1,018,564	1,361,151
Other	1,457,641	1,857,515
	36,809,863	37,762,129
Less: Allowance for doubtful accounts	(4,006,211)	(3,979,507)
Total	<u>P.32,803,652</u>	<u>P.33,782,622</u>

4. Inventories

Inventories consist of the following:

	December 31, 2005	October 31, 2006
Cellular telephones, accessories, cards and others	P.14,177,593	P.18,461,594
Less: Reserve for obsolete inventory	(828,568)	(827,899)
Total	<u>P.13,349,025</u>	<u>P.17,633,695</u>

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

5. Other Assets

Other assets consist of the following:

	December 31, 2005	October 31, 2006
Current:		
Sale and leaseback transactions	P.1,380,713	P.1,510,748
Advances to suppliers (includes advertising, insurance and maintenance)	1,116,273	2,006,831
Other	185,060	349,508
	<u>2,682,046</u>	<u>3,867,087</u>
Non-current:		
Trademarks, net	6,520,764	5,719,327
Deferred tax	676,815	670,419
Sale and leaseback transactions	6,888,588	5,769,131
Other non-current	345,393	1,417,227
Goodwill, net	12,619,330	12,591,660
	<u>P.27,050,890</u>	<u>P.26,167,764</u>

From January 2003 to December 2005, the Company sold part of its telephone plant to unrelated parties for P.5,542 million and then again leased the plant under sale and leaseback agreements, which are being amortized based on the remaining useful life of the assets at the time of sale. At December 31, 2005, the Company recorded deferred charges related to the above-mentioned sales in the short- and long-term of P.1,380,713 and P.6,888,588, respectively, and P.1,510,748 and P.5,513,954, respectively, for the ten-month period ended October 31, 2006, which are included as part of the caption “Other non-current assets” in the balance sheet.

Amortization expense for the ten-month periods ended October 31, 2005 and 2006 was P.1,664,029 and P.2,537,348, respectively.

6. Plant, Property and Equipment

Telephone plant, property and equipment consist of the following:

	December 31, 2005	October 31, 2006
Telephone plant and equipment	P.137,341,203	P.172,688,403
Land and buildings	6,257,382	6,107,377
Other assets	19,107,008	16,134,668
	<u>162,705,593</u>	<u>194,930,448</u>
Less: Accumulated depreciation	(63,616,923)	(84,179,673)
Net	99,088,670	110,750,775
Construction in progress and advances to equipment suppliers	15,120,748	8,826,322
Inventories for use in construction of the telephone plant	1,053,603	1,176,300
Total	<u>P.115,263,021</u>	<u>P.120,753,397</u>

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

Depreciation expense for the ten-month periods ended in October 31, 2005 and 2006 was P. 12,534,262 and P.15,470,089, respectively.

7. Licenses

As of December 31, 2005 and October 31, 2006, licenses are as follows:

December 31, 2005						
	Balance at January 1	Increases	Effects of translation of foreign subsidiaries, net	Cancellations	Amortization expense	Balance at December 31
Licenses	P.26,509,800	P.5,284,232	—	P.(251,606)	—	P.31,542,426
Effects of translation	10,361,339	—	1,491,715	—	—	11,853,054
Accumulated amortization	(7,084,150)	(582,353)	—	229,805	(3,749,286)	(11,185,984)
Net	<u>P.29,786,989</u>	<u>P.4,701,879</u>	<u>P.1,491,715</u>	<u>P.(21,801)</u>	<u>P.(3,749,286)</u>	<u>P.32,209,496</u>
October 31, 2006						
Licenses	<u>P.31,542,426</u>	<u>P.1,924,451</u>	—	<u>P.(110,278)</u>	—	<u>P.33,356,599</u>
Effects of translation	<u>11,853,054</u>	—	<u>P.2,294,413</u>	—	—	<u>14,147,467</u>
Accumulated amortization	<u>(11,185,984)</u>	<u>(993)</u>	—	<u>37,405</u>	<u>P.(3,591,162)</u>	<u>(14,740,734)</u>
Net	<u>P.32,209,496</u>	<u>P.1,923,458</u>	<u>P.2,294,413</u>	<u>P.(72,873)</u>	<u>P.(3,591,162)</u>	<u>P.32,763,332</u>

In October 2000, the Ministry of Communications and Transportation (MCT) granted Telcel an additional 15-year extension that expires in October 2015 to constitute, operate and use a mobile radio telephony service network in the Mexico City metropolitan area. As consideration for this concession, Telcel paid the Federal Government P.108.8 million (P.84.9 million historical) as initial payment on the concession, and paid the Federal Government, P.1,979.1 million for the so-called “annual share of gross revenues derived from authorized services”, based on a law in force at the time of the grant.

Consequently, in November 2000, Telcel filed a petition for review of the new concession, requesting that the payment of share of revenues to the Federal Government be declared unjustified.

On March 1, 2005, the Federal Tax and Administrative Court issued a definitive ruling in favor of Telcel establishing that Telcel should, in fact, have made a one-time payment for the granting of the concession, in conformity with the law applicable at that time. On April 11, 2006, the Ministry of Communications and Transportation ordered a one-time modification to the amount of the consideration from P.108.8 million to P.2,120.4 million, for the extension and modification of the concession granted.

In 2006, the Company has recognized the value of the license considering what best reflects the current status of the asset, in conformity with *Normas de Información Financiera*, or NIF, C-8 and A-6, recording the

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

proper value of the concession granted by the Federal Government and its corresponding amortization through March 2006, applying a charge to the licenses in the amount of P.1,336 (P.2,120 million in investment and P.784 million in accumulated amortization), a cash payment of P.141 million and a payment collection of P.1,979 million, resulting in a credit to results of operations of P.1,195 million under the caption “Other income”.

In May 2006, the Company acquired two 800 MHz licenses to operate and provide wireless services in the Santiago de Chile region; the amounts paid for these licenses was P.272,541 and P.275,646.

b) License and trademark amortization expense for the ten-month periods ended October 31, 2006 and 2005 was P.4,289,159 and P.3,670,505, respectively.

8. Investments in Affiliates and Others

2006 Acquisitions

In October 31, 2006, the Company acquired 1.10% of Telecom Américas’ capital stock from a minority stockholder, thus increasing its shareholding from 98.9% to 100%. The Company paid P.1,847,354 (US\$ 172.5) for the shares, whose book value is P.488,448. In 2006, the Company also paid P.6,260 to acquire minority interests in Guatemala and Nicaragua whose book value is P.9,572. The difference between the book value and price paid is reflected in stockholders’ equity. As a result of these acquisitions, the Company’s equity interest increased from 99.1% to 99.2% (in the case of Guatemala), and from 99.1% to 99.2% (in the case of Nicaragua).

Relevant events

On April 2, 2006, by means of three separate agreements, América Móvil agreed to acquire the equity interests that Verizon Communications Inc. holds in Verizon Dominicana, C. por A. (“Verizon Dominicana”), Telecomunicaciones de Puerto Rico, Inc. (“TELPRI”) and Compañía Anónima Nacional de Teléfonos de Venezuela (“CANTV”). As of the date of these financial statements, each of the three acquisitions is subject to regulatory approvals. None of the acquisitions is conditioned on the closing of any other, and the Company expects to close one of the acquisitions at the time the conditions applicable to the closing of that particular acquisition are either satisfied or waived.

América Móvil agreed to acquire control of 100% of the shares of Verizon Dominicana for a purchase price of US\$ 2,062 million (P.22,760 million). This price assumes that Verizon Dominicana will have no net debt at closing and is subject to adjustments for changes in the Company’s net indebtedness and working capital arising through the closing.

América Móvil agreed to acquire control of 52.01% of the issued and outstanding capital stock of TELPRI for a purchase price of US\$939 million (P.10,364 million). This price assumes that TELPRI’s net debt will not exceed US\$523 million at closing and is subject to adjustments for changes in net indebtedness and working capital arising through the closing. América Móvil agreed with Verizon to offer to purchase the shares of TELPRI held by its other shareholders at the same per share price.

América Móvil and Telmex agreed to acquire control of Verizon’s equity interest in CANTV for a purchase price of US\$676 million (P.7,468 million). The purchase price represents US\$3.01 (P.33.1) per ordinary share of CANTV or US\$21.10 (P.232.8) per American depositary share of CANTV. Each American depositary share

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

represents seven ordinary shares of CANTV. Verizon beneficially owns approximately 28.51% of the outstanding capital stock of CANTV. The joint venture of América Móvil and Telmex will acquire Verizon's equity interest in CANTV by means of the purchase of a subsidiary of Verizon that holds all of the ordinary shares and ADS's of CANTV beneficially owned by Verizon. As required by Venezuelan law, following the closing of the purchase of Verizon's equity interest in CANTV, and, subject to receipt of regulatory approvals, the joint venture will offer to purchase (i) the remaining outstanding shares of CANTV at the Venezuelan Bolivar equivalent, based on the official exchange rate established by the Venezuelan authorities, of the price per share paid to Verizon and (ii) the remaining outstanding American Depositary Shares at the same price per ADS paid to Verizon.

9. Financial Instruments

At December 31, 2005 and October 31, 2006, the Company's financial instruments are made up as follows:

<u>Instrument</u>	<u>December 31, 2005</u>	<u>October 31, 2006</u>
	<u>Notional equivalent in millions</u>	
Dollar interest rate swaps	US\$ 610	—
Peso interest rate swaps	P.6,000	P.3,000
Cross currency swaps	US\$ 910	US\$ 910
Interest rate swaps and cross currency swaps	US\$ 913.4	US\$ 400
Forwards dollar-peso	US\$ 1,475	US\$ 770

With respect to the aforementioned financial instruments, only a portion equal to US\$910 notional amount corresponding to cross currency swaps, qualify for treatment as hedging instruments. Consequently, the valuation loss of (P.95,713) in December 2005 was included in stockholders' equity under the caption "Other accumulated comprehensive income items". As of 2006, such instruments are no longer considered for hedging purposes and consequently, the change in fair value for the ten-month period ended October 31, 2006 of P.110,668, is included in the statement of income as part of comprehensive financing cost.

With respect to the instruments not considered effective hedges (interest-rate swaps and cross currency swaps), the changes in fair value for the periods ended October 31, 2005 and 2006 of P.215,974 and P.55,636, respectively, were included in the statement of income as part of comprehensive financing cost.

An analysis of the accumulated valuation effect of the financial instruments included in the accompanying balance sheet at December 31, 2005 and at October 31, 2006 is as follows:

	<u>December 31, 2005</u>	<u>October 31, 2006</u>
Accounts payable for financial instruments not classified as effective hedges	<u>P.1,919,664</u>	<u>P.1,538,051</u>
Net accumulated effect payable for valuation of financial instruments per annexed balance sheet	<u>P.1,919,664</u>	<u>P.1,538,051</u>

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2005	October 31, 2006
Suppliers	P.39,994,814	P.33,543,375
Sundry creditors	7,348,046	7,714,481
Interest payable	1,663,484	1,080,451
Accrued expenses	7,077,985	8,712,704
Guarantee deposits	424,003	473,428
Related parties	731,152	1,650,082
Others	366,082	1,174,046
Total	<u>P.57,605,566</u>	<u>P.54,348,567</u>

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

11. Debt

The Company's debt consists of the following:

Currency	Items	2005 Rate	Maturity from 2005 to	Total 2005	2006 Rate	Maturity from 2006 to	Total 2006
<i>U.S. dollars</i>							
	Fixed-rate senior notes	4.125% a 6.375%	2035	P.30,830,960	4.125% a 6.375%	2035	P.29,911,075
	Senior notes	L+.6250	2007	3,311,596	L + 0.625%	2007	3,212,790
	Lines of credit	L+.05 a L+.40	2006	3,844,167	L + 0.40%	2006	321,279
	Leasing	8.01%; L+1.53 a L+2.90	2008	769,909	L + 1.5% a L + 2.9%	2008	530,521
	Exim	2.71%	2010	257,946	2.71% - 3.2%	2010	862,363
	Syndicated U.S. loans				L + 0.25%	2011	21,418,600
	Subtotal U.S. dollars			39,014,578			56,256,628
<i>Mexican pesos</i>							
	Domestic seniors ("certificados ursátiles")	Sundry	2010	12,934,030	L + 0.45% a L + 1.0%	2010	7,050,000
	Fixed-rate senior notes	9.00%	2016	5,153,000	9.00%	2016	5,000,000
	Credit lines	THIE- .10 a THIE- .125 (2)	2006	6,183,600			
	Leasing	THIE + .40 a THIE + .55	2008	4,131,675	THIE + 0.15%	2008	3,534,000
	Subtotal Mexican pesos			28,402,305			15,584,000
<i>Brazilian reais</i>							
	Credit lines				11.27%	2014	386,288
	Subtotal Brazilian reais						386,288
<i>Colombian pesos</i>							
	Bond	IPC+6.8a IPC+7.50	2013	2,174,657	IPC (4) + 6.8% a 7.5%	2016	4,162,759
	Commercial paper				7.47%	2006	693,793
	Credit lines	DTF (3)	2006	275,456	8%	2006	185,012
	Subtotal Colombian pesos			2,450,113			5,041,564
<i>Other currencies</i>							
	Credit lines	3.50% a 14%	2006	767,274	4.65% - 12%	2007	1,415,463
	Subtotal other currencies			767,274			1,415,463
	Total debt			70,634,270			78,683,943
	Less: Short-term debt and current portion of long-term debt			17,527,869			8,117,635
	Long-term debt			<u>P.53,106,401</u>			<u>P.70,566,308</u>

(1) L = LIBOR

(2) THIE = Weighted interbank interest rate determined daily by the Banco de Mexico and published in the *Official Gazette*.

(3) DTF = Fixed-term deposits

(4) IPC = National consumer index

Except for the fixed-rate senior notes, interest rates on the Company's debt are subject to changes in international and local rates. The Company's weighted average cost of borrowed funds at December 31, 2005 and October 31, 2006 was approximately 7.59% and 6.59% respectively.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

This rate does not include interest, commissions or the reimbursements for Mexican tax withholdings (typically 4.9% of the interest payment) that the Company must make to international lenders. In general, fees on financing transactions add ten basis points to financing costs.

An analysis of the Company's short-term debt at December 31, 2005 and at October 31, 2006 is as follows:

<u>Type of debt</u>	<u>December 31, 2005</u>	<u>October 31, 2006</u>
Domestic senior notes	P.5,668,300	P.1,900,000
Fixed-rate securities	—	3,212,790
Bank loans	11,070,499	1,921,754
Other loans	494,982	693,793
Total	<u>P.17,233,781</u>	<u>P.7,728,337</u>
Weighted average interest rate	8.25%	7.43%

An analysis of maturities of long-term debt is as follows:

<u>Years</u>	<u>Amount</u>
2007	P. 66,546
2008	7,123,095
2009	7,070,846
2010	2,243,603
2011	21,478,029
2012 and thereafter	32,584,190
Total	P.70,566,309

Senior Notes.—During 2004 and 2005, América Móvil issued the following senior notes:

a) In March 2004, US\$500 million and US\$800 million, maturing in 2009 and 2014, respectively, and bearing fixed annual interest of 4.125% and 5.50%, respectively, which is payable semiannually. For the ten-month periods ended October 31, 2005 and 2006, accrued interest on the notes was P.610,138 and P.573,550, respectively.

b) In April 2004, US\$300 million, maturing in 2007 and bearing variable annual interest at the three-month LIBOR plus 0.625%, which is payable quarterly beginning on July 27, 2004. For the ten-month periods ended October 31, 2005 and 2006, accrued interest on the notes was P.107,579 and P.142,570, respectively.

c) In October 2004, US\$500 million, maturing in 2015 and bearing annual interest of 5.75%, which is payable semiannually beginning on July 15, 2005. For the ten-month periods ended October 31, 2005 and 2006, accrued interest on the notes was P.272,945 and P.256,577, respectively.

d) In February 2005, US\$1,000 million, maturing in 2035 and bearing annual interest of 6.375%, which is payable semiannually on March 1 and October 1 of each year, beginning on October 1, 2005. For the ten-month periods ended October 31, 2005 and 2006, accrued interest on the notes was P.496,285 and P.568,932, respectively.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

e) In September 2005, P.5,000 million, maturing in 2016 and bearing annual interest of 9%, which is payable semiannually in January and July, beginning on January 17, 2006. For the ten-month periods ended October 31, 2005 and 2006, accrued interest on the notes was P.33,940 and P.378,750, respectively.

All senior notes are unconditionally guaranteed by Telcel.

Lines of credit guaranteed by institutions to promote exports—The Company has medium- and long-term financing programs for the purchase of equipment, whereby certain institutions, to promote exports, provide financial support to purchase export equipment from their respective countries. The outstanding balance under these plans at December 31, 2005 is P.257,946 (US\$23 million), and at October 31, 2006, P.862,363.

Domestic senior notes (certificados bursátiles)—The Mexican Banking and Securities Commission (CNBV) has authorized the Company to establish four programs for the issuance of domestic senior notes guaranteed by Telcel for P.5,000 million each. At October 31, 2006, the Company had made various issues for the first three programs for amounts ranging from P.400 to P.1,750 million and maturities ranging from 3 to 7 years. In general, these issues bear a floating interest rate established as a percentage of the TIIE and Mexican treasury certificate (CETES) rates.

In addition, the Company has a commercial paper program authorized by the CNBV for an amount of P.3,000 million. As of October 31, 2006, the Company had no outstanding commercial paper debt.

In December 2005, the Company incurred P.8,941 million (US\$810 million) in bank debt, guaranteed by Telcel, bearing interest at the compounded annual rate of 7.25% and maturing in December 2006.

On February 24, 2006, through Comcel, the Company placed bonds in the Colombian market in the amount of P.450 billion Colombian pesos (equal to US\$200 million) for a term of ten years. The interest rate on such issue is 7.59%.

General

At October 31, 2006, the Company had a number of bank facilities for approximately P.11,072 million (US\$1,003 million) bearing interest at LIBOR plus a spread. These facilities have similar terms as to covenants, and under all of the facilities América Móvil and Telcel are either borrowers or guarantors.

The Company is subject to financial and operating covenants under the loan agreements that limit America Movil's ability to pledge assets, carry out certain types of mergers and sell off all or substantially all of its assets. The covenants also restrict the ability of the subsidiaries to pay dividends or other distributions to the Company. The most restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA not greater than 4 to 1 and a consolidated ratio of EBITDA to interest expense of no less than 2.5 to 1 (based on the terms of the loan agreements). At October 31, 2006, the Company is in compliance with all of the commitments and obligations assumed under the loan agreements.

A number of the financing instruments are subject to either acceleration or repurchase at the holder's option if there is a change in the Company's control.

At October 31, 2006, approximately 90% of the total outstanding consolidated debt is guaranteed by Telcel.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

12. Foreign Currency Position and Transactions

a) At December 31, 2005 and October 31, 2006, América Móvil had the following foreign-currency denominated assets and liabilities:

	Foreign currency in million			
	December 31, 2005	Exchange Rate At December 31, 2005	October 31, 2006	Exchange Rate At October 31, 2006
Assets				
US dollar	2,016	10.71	3,161	10.71
Quetzal	1,854	1.41	3,463	1.41
Real	3,150	4.58	2,610	4.99
Colombian peso	668,573	0.005	535,768	0.005
Argentinean peso	780	3.03	602	3.47
Uruguayan peso	653	0.443	871	0.449
Cordoba	803	0.625	1,120	0.599
Lempira	476	0.563	353	0.563
Peruvian sol	76,236	0.021	82,082	0.02
Chilean peso	193	3.12	269	3.33
Guaraníes	138,130	0.002	137,494	0.002
Suisse franc	47	12.63	3,489	13.67
Euro	53	8.16	53	8.63
Liabilities				
US dollar	(5,242)	10.71	(8,673)	10.71
Quetzal	(1,981)	1.41	(1,359)	1.41
Real	(4,616)	5	(2,641)	5
Colombian peso	(2,555,922)	0.005	(967,132)	0.005
Argentinean peso	(2,052)	3.03	(714)	3.47
Uruguayan peso	(1,107)	0.443	(53)	0.449
Cordoba	(1,092)	0.625	(1,388)	0.599
Lempira	(599)	0.563	(899)	0.563
Peruvian sol	(57,651)	0.021	(126,637)	0.02
Chilean peso	(929)	3.12	(481)	3.33
Guaraníes	(313,840)	0.002	(148,018)	0.002

b) In the ten-month periods ended October 31, 2005 and 2006, the Company had the following transactions denominated in foreign currencies. Currencies other than the US dollar were translated to US dollars using the average exchange rate for the year.

	Thousands of U.S. Dollars	
	2005	2006
Net revenues	6,684,154	9,234,761
Operating costs and expenses	6,666,513	8,370,795
Interest income	155,393	216,841
Interest expense	135,205	334,404
Other expense, net	(592)	(16,642)

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

13. Commitments and Contingencies

a) Payment guarantees with suppliers

At October 31, 2006, some of the Company's subsidiaries had commitments to acquire equipment for their GSM networks for up to approximately US\$ 446 million (approximately P.4,771,186).

Telcel

b) COFECO

At the date of these financial statements, Cofeco has pending administrative proceedings against Telcel for alleged anti-competitive behavior primarily in connection with (i) actions carried out by certain Telcel distributors in relation to the purchase and sale of cellular phones; (ii) exclusive agreements entered into with certain content provider and (iii) refusal to deal with or grant access to certain specialized trunking radio communication operators to short message service interconnection.

At the present time, these investigations are at different procedural stages, and no final ruling against Telcel has been issued. If Telcel is unsuccessful in challenging any of the aforementioned legal proceedings, they may result in significant fines or specific regulations applicable to Telcel. Telcel has not made provisions in its financial statements for these potential liabilities, since at the date of the financial statements, the amount of the possible contingencies could not be reasonably estimated.

c) Interconnection

In December 2004, Telcel reached an agreement with various other telecommunications service providers as to the interconnection fees applicable under the "calling party pays" system for the period from January 1, 2005 until December 31, 2007. The agreement called for a gradual reduction of 10% per year in interconnection fees charged under the "calling party pays" system from the 2004 rate of P.1.90 per minute to P.1.39 by the end of 2007. The agreement also contemplated that these reductions would be reflected in the tariffs charged by fixed operators to their users. The new framework was approved by the Mexican Federal Communications Commission (Comisión Federal de Telecomunicaciones, or Cofetel).

Certain telecommunications service providers have since challenged the new framework, arguing that the proposed interconnection fees do not properly take into account costs associated with the interconnection fee applicable under the "calling party pays", and have initiated proceedings with Cofetel to obtain their intervention in resolving the matter. A ruling on the interconnection dissent was issued by Cofetel, of which Telcel was notified on September 4, 2006.

Based on Cofetel's ruling, the interconnection rate for "calling party pays" calls that the dissenting operators must pay Telcel from January 2005 through December 2006 are as follows: P. 1.71 per minute or fraction thereof during 2005; P. 1.54 pesos per minute or fraction thereof from January through September 2006; and P. 1.23 pesos per minute or fraction thereof from October through December 2006.

Furthermore, Cofetel determined the interconnection rate for "calling party pays" calls that the dissenting operators must pay Telcel from January 2007 through December 2010 on a per minute basis, as well as the rate for the period measured in seconds. That is, the duration of all completed calls measured in seconds is tallied up,

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

and such amount is rounded off to the next minute (rounding off per second). This differs from the rate computation through December 2006, whereby the duration of each call was rounded off to the next minute to reach the total amount of time the infrastructure was used (rounding off per minute).

Cofetel determined the following rates for the period from 2007 through 2010: P. 1.23 per minute of interconnection during 2007; P. 1.12 per minute of interconnection during 2008; P. 1.00 per minute of interconnection during 2009 and P. 0.90 per minute of interconnection during 2010. All rates are to be computed in accordance with the above-mentioned rounding-off-per-minute plan. Due to the change in rates, Cofetel established that the cellular operator must apply a premium on the total amount of interconnection minutes invoiced from 2007 through 2009, as follows: 25% during 2007; 18% during 2008 and 10% during 2009.

Cofetel's ruling is not to Telcel's satisfaction and, therefore, Telcel filed for relief (*amparo*) against such rulings. Although the Company currently applies the above-mentioned rates and computation methods to all local fixed-line and cellular operators, since it did not file a motion for a the precautionary measure to suspend the effects of the rulings with the corresponding court, Telcel is awaiting the final ruling from the courts to determine how it will proceed.

At this time, it impossible to determine the probable outcome of the proceedings Telcel brought against such ruling.

d) Short message services (SMS)

Under the terms of its concessions for the 800 megahertz spectrum, Telcel must pay the federal government a royalty based on gross revenues from concessioned services. The royalty is levied at rates that vary from region to region, but average approximately 6%. Telcel believes that short message services are value-added services, which are not concessioned services, and that revenues from short message services should not be subject to this royalty. In related proceedings, Cofetel has ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services. Telcel is currently disputing these issues in an administrative proceeding, but has nevertheless provided P.332,719 included in these financial statements for this potential liability.

e) Trademarks tax assessment

On March 3, 2006, the Sistema de Administración Tributaria (Mexican Tax Administration System, or "SAT") notified Telcel of an assessment of P.150,217, plus adjustments, fines and late fees bringing the total to P.271,651, as a result of a tax deduction made by Telcel in 2003 of P.1,221,916 in connection with royalty payments made to another subsidiary of América Móvil regarding the use of certain trademarks. The Company believes such assessment to be unjustified, since Mexican income tax law allows the deduction of royalties. Consequently, the Company has filed suit against such assessment. Considering that the amount of the deduction is equal to 40% of Telcel's individual tax results, the subsidiary believes that the SAT will most likely contest the remaining 60% of the consolidated deduction determined under Mexican income tax law. Based on the foregoing, Telcel also expects that the SAT will challenge similar deductions for royalty payments made during 2004 and 2005 of P.4,490,993 and P.6,349,628, respectively. The Company has not made provisions in its financial statements for this potential liability because, based on the strength of its legal arguments, the Company believes that it will successfully challenge this assessment.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

Comcel

f) Voice/IP

In March 2000, the Colombian Ministry of Industry and Commerce (Superintendencia de Industria y Comercio, or SIC) issued Resolution No. 4954, requiring Comunicación Celular, S.A. (Comcel) to pay a fine of approximately US\$100 thousand (approximately P.1,071 million) for alleged anti-competitive behavior. In addition to this administrative fine, the SIC ordered Comcel to pay damages to other long distance operators. The long distance operators estimated their damages to be US\$70 million (approximately P.750 million). Comcel requested an administrative review of the damages decision, which was denied in June 2000. Comcel appealed, and the appeal was rejected in November 2000. Comcel resubmitted the appeal in February 2001. Comcel also filed a special action in court challenging the denial of the administrative review.

Following a series of court proceedings, a Colombian appeals court in June 2002 ordered that Comcel's February 2001 appeal be granted and that the administrative decision against Comcel be reviewed.

After additional proceedings, the Constitutional Court revoked the previous decision and ordered the continuance of the procedure for the determination of damages to the other operators. In the opinion of counsel representing Comcel in this matter, in the event the SIC decides to award damages to the long distances service providers, the amount of such damages should not exceed the income received by Comcel from the provision of Voice over IP services, an amount which is substantially smaller than the amount estimated by the long distance service providers. Taking into account the opinion of its legal advisors, Comcel has made the appropriate provisions. Neither America Móvil nor Comcel is able to confirm that the amount of damages ultimately determined by the SIC will be consistent with Comcel's counsel opinion. Comcel expects to continue exploiting all available legal channels after a decision on damages is rendered.

g) Distributors

In 2005, Comcel was notified of an arbitration proceeding initiated against it by Celcenter Ltda. (Celcenter), Punto Celular, Ltda. (Punto Celular) and Concelulares, F.M. Ltda. (Comcelulares), which were distributors of Comcel through May 2004. The proceeding relates to Comcel's decision to reduce the commissions paid to distributors. In the proceeding, the distributors allege: (i) abuse of dominant position on Comcel's part; (ii) the existence of an agency relationship between Comcel and the distributors; and (iii) breach of contract and commercial liability on the part of Comcel. The claimants seek to recover approximately US\$22 million (approximately P.236 million) from Comcel. Comcel has made provision included in these financial statements for this potential liability.

Telecom Américas

h) Related Anatel inflation adjustments

The Brazilian Federal Communications Commission (Agência Nacional de Telecomunicações or ANATEL) has challenged Tess, S.A. (Tess) and ATL-Telecom Leste, S.A. (ATL) regarding the calculation of inflation-related adjustments due under these companies' concession agreements with ANATEL. Forty percent of the concession price under each of these agreements was due upon execution and 60% was due in three equal annual installments (subject to inflation-related adjustments and interest) beginning in 1999. Both companies have made these concession payments, but ANATEL has rejected the companies' calculation of the inflation-related

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

adjustments and requested payment of the alleged shortfalls. The companies have filed declaratory and consignment actions in Brazilian courts seeking resolution of the disputes. The court of first instance ruled against ATL's filing for declaratory action in October 2001 and ATL's filing for consignment action in September 2002. Subsequently, ATL filed appeals, which are pending.

In September 2003, the court of first instance ruled against Tess' filing for consignment action. Subsequently, Tess filed an appeal, which is still pending. No ruling has been made to date with respect to the declaratory action filed by Tess. The aggregate contested amounts were approximately US\$ 178 million (including potential penalties and interest) (approximately P.1,911 million) at December 31, 2005. Based on the opinions of their legal advisors, both ATL and Tess have made provisions in their financial statements for this potential liability.

i) BNDESPar

Prior to the acquisition of Telet, S.A. (Telet) and Americel, S.A. (Americel) by Telecom Americas Limited (Telecom Americas), BNDESPar a subsidiary of BNDES, the Brazilian development bank, had entered into investment and other shareholder agreements with Americel, Telet and certain of their significant shareholders. Under these agreements, BNDESPar had the right, among others, to participate in the sale of shares of Telet and Americel in the event of certain transfers of control, for so long as BNDESPar held 5% of the share of capital in those companies. In October 2003, Telecom Americas increased the capital of each of Telet and Americel and BNDESPar's ownership fell below 5% from approximately 20% in each, as it elected not to exercise its preemptive rights. Subsequently, BNDESPar sent official notices to Telet and Americel reserving its rights under the agreements with respect to certain past transfers of shares. In November 2004, BNDESPar filed a lawsuit with the competent court of Rio de Janeiro claiming that BNDESPar is entitled to sell its shares in Telet and Americel to Telecom Americas for approximately US\$164 million (approximately P. 1,757 million). The Company does not believe that BNDESPar has valid grounds for its claims against Telecom Americas, and Telecom Americas is defending itself vigorously against these claims. Neither America Móvil or Telecom Americas can provide assurances, however, that Telecom Americas will ultimately prevail. Telecom Americas has not made provisions in its financial statements for these potential liabilities.

j) Lune patent case

A Brazilian company claims that wireless operators in Brazil have infringed on its patent over certain caller I.D. technology. The plaintiff first brought a patent infringement case in a state court in Brasília, Federal Capital of Brazil, against Americel and later brought cases, as part of two separate proceedings, against 23 other defendants, including all of Americel's other operating subsidiaries in Brazil. Although the Company believes that the patent does not cover the technology that is used by Americel to provide caller I.D. services, Americel lost the case at the trial level and on first appeal. After the judgment against Americel was rendered, a federal court in Rio de Janeiro, Brazil, rendered a preliminary injunction decision suspending the effects of the patent, in an action filed by a supplier of caller I.D. technology. Americel filed three special appeals against the decision of the state court in Brasília, seeking review at the Superior Court of Justice (which is the highest court in Brazil to decide on questions of federal law) and Supreme Court (the highest court in Brazil to decide on questions of constitutional law).

The Court of Appeals has determined that two of Americel's special appeals will be heard by the Superior Court of Justice. Americel's request for a special appeal before the Supreme Court has been denied. Americel

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

may still file a motion to overturn such decision. Americel intends to continue vigorously defending itself against this claim.

The cases against the other operators are still on their initial stages. The plaintiff has brought these cases to the same state trial court that heard the case against Americel, but the defendants have requested that the cases be moved to another court on jurisdictional grounds. The Americel judgment does not bind other state courts or federal courts of Brazil. America Móvil and its Brazilian subsidiaries will continue vigorously defending them against these claims, and do not expect that there will be resolution to these other cases within the next couple of years.

In the case of Americel, the plaintiff has been requested to initiate the necessary proceedings relating to the execution. The court has estimated that the award for damages could reach as high as approximately USD 270 million (approximately P.2,892 million). In September 2006, the Higher Court of Justice of Brazil unanimously ruled to halt the trial, due to a court order that suspended the validity of the patent in question. The trial shall remain interrupted as long as the patent remains suspended until such time as it is reviewed by the court at the end of September 2007. Furthermore, Americel is benefited from limited contractual compensations from its equipment suppliers. Due to the above-mentioned interruption, Americel has not created any provision in its financial statements to cover these possible contingencies.

14. Transactions with Related Parties

In ten-month periods ended October 31, 2005 and 2006 the Company had the following significant transactions with related parties (mainly with Teléfonos de México, S.A. de C.V., or Telmex):

	2005	2006
Revenues:		
Calling party pays (CPP) interconnection fees (1)	P.9,801,831	P.10,657,232
Costs and expenses:		
Payments of interconnection cost, long-distance, circuits and others (2)	2,746,586	3,385,617
Commercial, administrative and general:		
Advertising	607,190	716,407
Others, net	(44,621)	(319,772)

(1) Interconnection fees from CPP: incoming calls from a fixed-line telephone to a wireless telephone. The interconnection agreements specify the number of connection points, locations of interconnection points, the method by which signals must be transmitted and received and the costs and fees of interconnection.

(2) Includes: a) Interconnection (cost): payments for outgoing calls from the wireless network to the fixed-line network; b) Long-distance: payments for the use of national and international long-distance; and c) leases of buildings and other cellular space.

a) Telcel has entered into various leasing and co-location agreements with a subsidiary of Telmex. Under these agreements, Telcel pays monthly fees for the use of Telmex's antenna repeater space and has the right to install its interconnection equipment.

b) In 2005, Smartcom and Chile Sat (subsidiary of Telmex) entered into an agreement for the provision of capacity, whereby the latter agrees to provide Smartcom with the right to use capacity and infrastructure over the

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

following 30 years. Such agreement gives rise to a monthly disbursement of US\$ 17.5 million (P.193.2 million), beginning in September 2005. The amount recorded in results of operations of 2005 for this agreement is US\$70 million (P.773 million).

c) In 2005, Telmex Argentina, a subsidiary of Telmex, and CTI Movil agreed to jointly install a network of fiber optic trunk lines in Argentina approximately 1,943 kilometers in length. The project will be completed in several different stages. The first stage consists of the construction of approximately 930 kilometers by Carso Infraestructura y Construcción, S.A. de C.V. (CICSA) for approximately P.193.2 million (USD 17.5 million).

d) Telecom Americas (through its operating subsidiaries) and Embratel, a subsidiary of Telmex, both provide telecommunications services in certain regions of Brazil; consequently, they have significant operating relationships between themselves, mainly the interconnection of their respective networks and the provision of long-distance services by Embratel.

e) In November 2005, Embratel entered into a contract with Telecom Americas to provide trunk line capacity to the operating subsidiaries in Brazil for a period of 20 years. Through this contract, the subsidiaries in Brazil are obligated to pay monthly fees to Embratel of between \$ 5.0 and \$ 6.0 million reais (approximately P.23.6 million and P.28.3 million, respectively), depending on the capacity established in the contract for each subsidiary.

f) In the normal course of operations, the Company's subsidiaries in Brazil have entered into lease agreements with Embratel. The total annual rent under such lease agreements is approximately \$ 6.8 million reais (approximately P. 31.1 million). As well, Embratel lease properties from America Movil's subsidiaries in Brazil. The total annual rent received by the subsidiaries is \$ 1.2 million reais (approximately P.5.5 million).

15. Stockholders' Equity

a) The Company's capital stock is P.402,900 (historical amount) and is represented by 48,348 shares divided into: a) 11,420 million common series AA shares, with no par value; b) 980 million series "A" shares, with no par value; and c) 35,948 million series "L" shares, with no par value. All shares are paid in.

Holders of "AA" and "A" shares have full voting rights. Holders of "L" shares are entitled to vote only to elect two members of the Board of Directors and the corresponding alternate directors and on the following matters: the transformation of América Móvil from one type of company to another, any merger of América Móvil, its voluntary dissolution, or a change in its corporate purpose.

b) In July 2005, the Company carried out a three-for-one share split, approved at the annual stockholders' meeting, whereby each share was exchanged for three new shares. Consequently, fixed capital stock at December 31, 2005 is represented respectively by 36,246 million and the ten month periods October 31, 2006 is represented by P. 35,913 million shares respectively common registered shares with no par value (after giving retroactive effect to the split).

An analysis of the shares at October 31, 2006 is as follows:

10,910	Series AA common shares
575	Series A common shares
24,428	Series L shares
<u>35,913</u>	<u>Total shares</u>

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

All per share and shares outstanding data in these financial statements, have been retroactively restated to reflect the three-for-one stock split approved at the regular stockholders' meeting.

c) Series "AA" shares, which may be subscribed only by Mexican individuals and Mexican corporations, and must represent at all times no less than 20% of the total number of shares outstanding and no less than 51% of the combined number of "AA" shares and "A" shares. Common series "A" shares, which may be freely subscribed, must account for no more than 19.6% of total shares outstanding and no more than 49% of the common shares. Series "AA" and "A" shares combined may not represent more than 51% of total shares outstanding. The combined number of series "L" shares, which have limited voting rights and may be freely subscribed, and series "A" shares may not exceed 80% of total shares outstanding.

d) In April 2005, the stockholders approved payment of a cash dividend of P.0.07 (P.0.21 before the split) per share, in the amount of P.2,696,657, payable in four installments in June, September and December of 2005 and in March of 2006.

Additionally, at an extraordinary stockholders' meeting held on December 13, 2005, the stockholders approved payment of an extraordinary cash dividend to be paid in a single installment on December 23, 2005 of P.0.30 per share for a total amount of P.11,209,694.

On April 26, 2006, the Company's stockholders approved payment of a cash dividend of P. 0.10 per share payable in full on July 26, 2006 in the amount of P.3,688,248 (P.3,615,220 nominal amount).

The aforementioned dividends were paid from the net reinvested tax profit account (CUFIN).

e) During the year ended December 31, 2005 and the ten-month period ended October 31, 2006 the Company purchased the following shares:

Year	Number of shares in million		Amount in thousands of Mexican pesos		Historical amounts in thousands of Mexican pesos	
	"L" Shares	"A" Shares	"L" Shares	"A" Shares	"L" Shares	"A" Shares
2005	547.4	1.5	6,729,162	20,273	6,413,735	19,357
2006 (ten months)	333.06	0.53	6,400,242	9,583	6,282,088	9,382

f) In conformity with the Mexican Corporations Act, at least 5% of the net income of each year must be appropriated to increase the legal reserve until it reaches 20% of capital stock issued and outstanding.

16. Income Tax

a) Mexico

1) Effective January 1, 2002, the Ministry of Finance and Public Credit authorized América Móvil to consolidate the group tax returns of its Mexican subsidiaries. Global Central América, S.A. de C.V., one of the Company's subsidiaries, is excluded from this tax consolidation.

Through December 31, 2004, tax consolidation was allowed at 60% of tax losses and taxable earnings of those Mexican subsidiaries authorized to be consolidated for tax purposes. Starting on January 1, 2005, tax consolidation of tax losses and taxable earnings of Mexican subsidiaries is allowed at 100%.

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006 except where otherwise indicated)

2) The corporate income tax rate for the years 2005 and 2006 was 30% and 29%, respectively.

Effective January 1, 2005, the income tax rate will be 30% and will be reduced by one-percentage point annually until it reaches 28% in 2007 and succeeding years.

Additionally, in 2005, the effect of the gradual decrease in the income tax rate is reflected in the computation of deferred taxes of the Mexican subsidiaries and represents a charge to operations of approximately P.56 million in 2005.

3) An analysis of income tax charged to results of operations for the ten-month period ended October 31, 2006 is as follows:

	October 31,	
	2005	2006
Current year	P.1,091,226	P.12,294,831
Deferred tax	1,572,699	(283,640)
Total	<u>P.2,663,925</u>	<u>P.12,011,191</u>

Since current tax legislation recognizes partially the effects of inflation on certain items that give rise to deferred taxes, the current year net monetary effect on such items has been reclassified in the statement of income from the monetary position result to current year deferred income tax cost.

4) An analysis of the temporary differences giving rise to the deferred income tax liability is as follows:

	December 31, 2005	At October 31 2006
<u>Deferred tax assets</u>		
Liability provisions	P.(2,055,588)	P.(2,407,547)
Others	(1,327,400)	(1,128,360)
Deferred revenues	(1,223,194)	(1,336,419)
Tax losses	<u>(20,616,205)</u>	<u>(20,616,205)</u>
	(25,222,387)	(25,488,431)
<u>Deferred tax liabilities</u>		
Fixed assets	2,094,224	3,954,266
Sale and leaseback	2,402,068	1,566,432
Inventories	1,403,189	81,218
Licenses	<u>670,161</u>	<u>433,904</u>
	6,569,642	6,035,820
Less: Valuation allowance	<u>22,243,151</u>	<u>22,350,442</u>
Deferred income tax liability, net	3,590,406	2,897,831
Total deferred tax liability	<u>P.3,590,406</u>	<u>P.2,897,831</u>

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

b) Foreign Subsidiaries

The foreign subsidiaries determine their income tax based on the individual results of each subsidiary and in conformity with the specific tax regimes of each country. The pretax income of these subsidiaries in 2005 and for the ten-month periods ended October 31, 2006 aggregated P.9,040,289 and P.2,509,448, respectively.

17. Segments

América Móvil operates primarily in one industry segment (cellular services); however, as mentioned in Note 1 of the audited consolidated financial statements at and for the year ended December 31, 2005, the Company has international telecommunications operations in Mexico, Guatemala, Honduras, Nicaragua, Ecuador, Uruguay, El Salvador, Brazil, Argentina, Colombia, Paraguay, Chile, Perú and United States. The accounting policies of these geographical segments are the same as those described in Note 2 of the audited financial statements as of December 31, 2005. A summary of the information by geographical segment, which is the way management analyzes results, is as follows. Honduras, Nicaragua, Uruguay, Chile, Paraguay and Perú are included under “Other”, in accordance with generally accepted accounting principles in México:

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

	<u>México</u>	<u>Guatemala (including Nicaragua)</u>	<u>Ecuador</u>	<u>Colombia</u>	<u>Brazil</u>	<u>Argentina</u>	<u>United States</u>	<u>El Salvador</u>	<u>Other</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
October 31, 2005											
Operating revenues	100,182,556	6,288,024	5,607,077	12,930,186	25,339,714	9,308,584	9,392,993	4,275,848	3,733,226	(26,052,123)	151,006,085
Depreciation and amortization	4,770,620	1,411,091	554,235	2,287,721	6,668,685	506,017	168,065	841,359	661,003		17,868,796
Operating income (loss)	28,391,629	2,174,217	924,058	37,210	(6,852,299)	559,669	968,769	1,440,346	563,102	68,731	28,275,432
Segment assets	383,644,393	15,594,160	9,398,586	27,173,561	135,743,034	9,757,474	5,694,119	10,983,146	23,470,129	(386,593,280)	234,865,322
October 31, 2006											
Operating revenues	124,523,242	5,908,597	6,369,302	17,071,067	31,312,271	12,149,347	11,880,029	4,330,971	10,655,230	(37,310,575)	186,889,481
Depreciation and amortization	6,001,183	1,394,684	692,961	2,402,512	7,522,318	791,498	195,463	754,643	1,788,514	54,823	21,598,599
Operating income (loss)	38,245,848	1,796,177	1,378,737	3,351,589	(3,300,213)	1,932,237	681,891	1,437,224	1,112,300	(25,539)	46,610,251
Segment assets	478,752,141	16,847,381	9,178,868	29,177,648	72,163,131	12,221,774	5,783,803	11,376,106	23,536,531	(382,951,398)	276,085,985

AMÉRICA MÓVIL, S.A. DE C.V. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements—(Continued)

(Amounts in thousands of constant Mexican pesos as of October 31, 2006
except where otherwise indicated)

18. Subsequent Event

a) In October 2006, Telcel and all its cellular operators in Mexico entered into an agreement with Telmex, which will enter into force as of November 4, 2006. Such agreement establishes the new conditions under which the domestic and international “calling party pays” system will operate. This agreement supersedes the former “calling party pays” system, which was in effect only in local service areas.

b) On November 7, 2006, the Company announced that it began a process to merge América Telecom, S.A. de C.V. (“Amtel”). The merger will result in the transfer of 4.07128 of the Company’s shares for each share of Amtel, based on the value of Amtel’s assets and the average price of AMX shares listed on the Mexican Stock Exchange for the last five trading days through November 6, 2006, less Amtel’s net liability.

ISSUER

América Móvil, S.A. de C.V.
Lago Alberto No. 366
Colonia Anáhuac
11320 México, D.F., México

GUARANTOR

Radiomóvil Dipsa, S.A. de C.V.
Lago Alberto No. 366
Colonia Anáhuac
11320 México, D.F., México

TRUSTEE, REGISTRAR AND PRINCIPAL PAYING AGENT AND TRANSFER AGENT

The Bank of New York
101 Barclay Street
New York, New York 10286

LUXEMBOURG LISTING AGENT, PAYING AGENT AND TRANSFER AGENT

The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A Hoehenhof
L-1736 Senningerberg
Luxembourg

LEGAL ADVISORS TO THE ISSUER AND GUARANTOR

As to United States Law
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006

As to Mexican Law
Galicia y Robles, S.C.
Blvd. Manuel Ávila Camacho
No. 24, Piso 7
Lomas de Chapultepec
11000 México, D.F., México

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to United States Law
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

As to Mexican Law
Mijares, Angoitia, Cortés y Fuentes, S.C.
Montes Urales 505
Lomas de Chapultepec
11000 México, D.F., México

INDEPENDENT AUDITORS

Mancera, S.C.
(A Member Practice of Ernst & Young Global)
Antara Polanco
Av. Ejército Nacional 843-B
Colonia Granada
11520 México, D.F., México

Ps.8,000,000,000
América Móvil, S.A. de C.V.
8.46% Senior Notes due 2036
Unconditionally Guaranteed by
Radiomóvil Dipsa, S.A. de C.V.



OFFERING MEMORANDUM

December 7, 2006

Joint Book-Running Managers

HSBC

UBS Investment Bank

Co-Managers

ING

Citigroup

Merrill Lynch & Co.
