



América Móvil, S.A.B. de C.V.

£300,000,000

4.948% Senior Notes due 2033

We are offering £300,000,000 aggregate principal amount of our 4.948% senior notes due 2033 (the “notes”).

We will pay interest on the notes on July 22 of each year, beginning on July 22, 2014. The notes will mature on July 22, 2033.

The notes will rank equally in right of payment with all of our other unsecured and unsubordinated debt obligations from time to time outstanding. The notes will not be guaranteed by any of our subsidiaries.

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. We may redeem, in whole or in part, the notes at any time by paying the greater of the principal amount of the notes to be redeemed and the “make-whole” amount, plus accrued interest to the redemption date. See “Description of Notes—Optional Redemption” in this prospectus supplement.

Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

This Prospectus Supplement and the Prospectus dated June 28, 2012 constitute a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities. This Prospectus Supplement and the Prospectus dated June 28, 2012 may only be used for the purpose for which they have been published.

Investing in the notes involves risks. See “Risk Factors” beginning on page S-6 of this prospectus supplement and page 4 of the accompanying prospectus.

	<u>Price to Public(1)</u>	<u>Underwriting Discounts</u>	<u>Price to Underwriters</u>	<u>Proceeds to América Móvil(1)</u>
4.948% Senior Notes due 2033.....	100.000%	0.275 %	99.725 %	£ 299,175,000

(1) Plus accrued interest, if any, from July 22, 2013.

THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS ARE SOLELY OUR RESPONSIBILITY AND HAVE NOT BEEN REVIEWED OR AUTHORIZED BY THE COMISIÓN NACIONAL BANCARIA Y DE VALORES (THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION, OR “CNBV”). THE TERMS AND CONDITIONS OF THIS OFFER WILL BE NOTIFIED TO THE CNBV FOR INFORMATIONAL PURPOSES ONLY AND SUCH NOTICE 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 EXCEPTION UNDER THE LEY DEL MERCADO DE VALORES (MEXICAN SECURITIES MARKET LAW). 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.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the notes was made in book-entry form through the facilities of Clearstream Banking, *société anonyme* (“Clearstream”) and Euroclear Bank S.A./N.V. (“Euroclear”) on July 22, 2013.

Joint Book-Running Managers

Credit Suisse

Santander

Co-Managers

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We are responsible for the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference therein. Neither we nor any of the underwriters has authorized any person to give you any other information, and neither we nor any of the underwriters takes any responsibility for any other information that others may give you. This document may only be used where it is legal to sell the notes. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. We are not making an offer of the notes in any jurisdiction where the offer is not permitted.

In connection with the offering of the notes, Credit Suisse Securities (Europe) Limited, or any person acting for it, may over-allot the notes or effect transactions with a view to supporting the market price of the notes at a level higher than that

which might otherwise prevail. However, there is no assurance that Credit Suisse Securities (Europe) Limited, or any person acting for it, will undertake any stabilization action. Any stabilization action may begin at any time after the adequate public disclosure of the final terms of the offer of the notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the closing date and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment must be conducted by Credit Suisse Securities (Europe) Limited, or any person acting for it, in accordance with all applicable laws and regulations.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights key information described in greater detail in this prospectus supplement or the accompanying prospectus, including the documents incorporated by reference. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference before making an investment decision.

América Móvil

We provide telecommunications services in 18 countries. We are the largest provider of wireless communications services in Latin America, based on the number of subscribers, with the largest market share in Mexico and the third-largest in Brazil, in each case based on the number of subscribers. We also have major fixed-line operations in Mexico, Brazil, Colombia and 11 other countries.

Summary of the Offering

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete description of the terms and conditions of the notes, see "Description of Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus.

Issuer	América Móvil, S.A.B. de C.V.
Notes Offered	£300,000,000 aggregate principal amount of 4.948% Senior Notes due 2033.
Price to Public	100.000%, plus accrued interest, if any, from July 22, 2013.
Issue Date	The notes were issued on July 22, 2013.
Maturity	The notes will mature on July 22, 2033.
Interest Rate	Interest on the notes will accrue at the rate of 4.948% per year from July 22, 2013.
Interest Payment Dates	Interest on the notes will be payable on July 22 of each year, beginning on July 22, 2014.
Currency of Payment	All payments of principal of and premium, if any, and interest on the notes will be made in pounds sterling or, if the United Kingdom adopts the euro, in euro.
Calculation of Interest	Interest will be computed on the basis of a 365-day year or 366-day year, as applicable and the actual number of days elapsed.
Ranking	<p>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 notes will be effectively subordinated to all of our existing and future secured obligations and to all existing and future liabilities of our subsidiaries. All of our outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by Radiomóvil Dipsa, S.A. de C.V. ("Telcel"). Accordingly, the holders of those outstanding debt securities will have priority over the holders of the notes with respect to claims to the assets of Telcel. The notes do not restrict our ability or the ability of our subsidiaries to incur additional indebtedness in the future.</p> <p>As of March 31, 2013, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of (a) approximately Ps.349.0 billion (U.S.\$28.2 billion) excluding guarantees of our subsidiaries' indebtedness and (b) approximately Ps.360.5 billion (U.S.\$29.2 billion) including guarantees of our subsidiaries' indebtedness. As of March 31, 2013, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.52.1 billion (U.S.\$4.2 billion).</p>

Use of Proceeds	We intend to use the net proceeds from the sale of the notes for general corporate purposes. See “Use of Proceeds” in this prospectus supplement.
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 will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes.
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%. See “Taxation—Mexican Tax Considerations” in this prospectus supplement and in the accompanying prospectus. 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—Payment of Additional Amounts” in this prospectus supplement and “Description of Debt Securities—Payment of Additional Amounts” in the accompanying prospectus.
Optional Redemption	We may redeem the notes at any time in whole or in part by paying the greater of the principal amount of the notes to be redeemed and the “make-whole” amount, plus accrued interest to the redemption date, as described under “Description of Notes—Optional Redemption” in this prospectus supplement and “Description of Debt Securities—Optional Redemption” in the accompanying prospectus.
Tax Redemption	If, due to changes in Mexican laws relating to Mexican withholding taxes, 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 to the redemption date.
Listing	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.
ISIN, Common Code and WKN	The ISIN for the notes is XS0954302369. The Common Code for the notes is 095430236. The WKN for the notes is A1HNTX.
Form and Denominations	<p>The notes will be issued only in registered form without coupons and in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof.</p> <p>Except in limited circumstances, the notes will be issued in the form of global notes. See “Form of Securities, Clearing and Settlement—Debt Securities Denominated in a Currency other than U.S. Dollars” in the accompanying prospectus. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be made only through, records maintained by Clearstream and Euroclear.</p>
Trustee, Security Registrar, Principal Paying Agent and Transfer Agent	The Bank of New York Mellon.
London Paying Agent	The Bank of New York Mellon, London Branch.
Luxembourg Paying Agent and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg Listing Agent	The Bank of New York Mellon (Luxembourg) S.A.

Governing Law

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

Risk Factors

Before making an investment decision, prospective purchasers of notes should consider carefully all of the information included in this prospectus supplement and the accompanying prospectus, including, in particular, the information under “Risk Factors” in this prospectus supplement and the accompanying prospectus and under “Item 3—Risk Factors” in our annual report on Form 20-F for the year ended December 31, 2012 (our “2012 Form 20-F”), incorporated by reference herein.

PRESENTATION OF FINANCIAL INFORMATION

This prospectus supplement incorporates by reference our audited consolidated financial statements as of December 31, 2012 and 2011 and for each of the years ended December 31, 2012, 2011 and 2010, which are included in our 2012 Form 20-F, and our unaudited interim condensed consolidated financial data as of March 31, 2013 and for the three months ended March 31, 2013 and 2012, which are included in our report on Form 6-K filed with the SEC on July 15, 2013.

Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board as of December 31, 2012. Our audited consolidated financial statements are presented in Mexican pesos. The financial statements of our non-Mexican subsidiaries have been translated to Mexican pesos. Note 2(b)(iii) to our audited consolidated financial statements describes how we translate the financial statements of our non-Mexican subsidiaries.

References herein to “Mexican pesos” or “Ps.” are to the lawful currency of Mexico. References herein to “U.S. dollars” or “U.S.\$” are to the lawful currency of the United States. References herein to “pounds sterling” or “£” are to the lawful currency of the United Kingdom. References herein to “euro” or “€” are to the lawful currency of the member states of the European Monetary Union that have adopted or that will adopt the single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on European Union.

This prospectus supplement contains translations of various Mexican peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by us that the Mexican peso amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, we have translated U.S. dollar amounts from Mexican pesos at the exchange rate of Ps.12.3546 to U.S.\$1.00, which was the rate reported by *Banco de México* for March 31, 2013, as published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*, or “Official Gazette”). For historical information regarding the U.S. dollar/Mexican peso exchange rate, see “Exchange Rates” in our report on Form 6-K filed with the SEC on July 15, 2013.

Certain figures included in this prospectus supplement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be exact arithmetic aggregations of the figures that precede them.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This prospectus supplement incorporates important information about us that is not included in or delivered with the prospectus supplement. The SEC allows us to “incorporate by reference” the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and certain later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the following documents:

- our annual report on Form 20-F for the year ended December 31, 2012, filed with the SEC on April 30, 2013 (SEC File No. 001-16269);
- our report on Form 6-K, filed with the SEC on July 15, 2013 (SEC File No. 001-16269), containing a discussion of our results of operations for the three months ended March 31, 2013 and 2012 and our financial position as of March 31, 2013;
- any future annual reports on Form 20-F filed with the SEC under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), after the date of this prospectus supplement and prior to the termination of the offering of the notes; and
- any future reports on Form 6-K that we file with, or furnish to, the SEC after the date of this prospectus supplement and prior to the termination of the offering of the notes that are identified in such reports as being incorporated by reference in our Registration Statement on Form F-3 (SEC File No. 333-182394).

Any statement contained in any of the foregoing documents shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement 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 prospectus supplement.

You may request a copy of any and all of the information that has been incorporated by reference in this prospectus supplement and that has not been delivered with this prospectus supplement, at no cost, by writing or telephoning us at Lago Zurich 245, Edificio Telcel, Colonia Granada Ampliación, Delegación Miguel Hidalgo, 11529, México D.F., México, Attention: Investor Relations, telephone (5255) 2581-4449.

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.

RISK FACTORS

You should refer to the risk factors discussed under “Risk Factors” in the accompanying prospectus and “Item 3—Risk Factors” in our 2012 Form 20-F incorporated by reference in this prospectus supplement.

EXCHANGE RATES

The table below sets forth, for the periods and dates indicated, the high, low, average and period-end noon buying rates in New York City for cable transfers of pounds sterling as announced by the Board of Governors of the Federal Reserve System for the periods indicated, expressed in U.S. dollars per pound sterling. The rates in this table are provided for your reference only. 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>
2008.....	2.0311	1.4395	1.8545	1.4619
2009.....	1.6977	1.3658	1.5707	1.6167
2010.....	1.6370	1.4344	1.5415	1.5392
2011.....	1.6691	1.5358	1.6104	1.5537
2012.....	1.6275	1.5301	1.5850	1.6262
2013				
January.....	1.6255	1.5686		1.5856
February.....	1.5814	1.5112		1.5192
March.....	1.5239	1.4877		1.5193
April.....	1.5539	1.5113		1.5539
May.....	1.5578	1.5038		1.5185
June.....	1.5709	1.5210		1.5210
July (through July 26).....	1.5368	1.4837		1.5368

(1) Average of month-end rates.

The noon buying rate published by the Board of Governors of the Federal Reserve System on July 26, 2012 (the latest practicable date prior to the date hereof), was U.S.\$1.5368 to £1.00.

USE OF PROCEEDS

The net proceeds from the sale of the notes, after payment of underwriting discounts and transaction expenses, are expected to be approximately £299 million (or approximately Ps.5,713 million using the exchange rate of Ps.19.1070 to £1.00 as of July 15, 2013). We intend to use the net proceeds from the sale of the notes for general corporate purposes.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2013 and as adjusted to reflect the issuance and sale of the notes, but not the application of the net proceeds of the offering. This table does not reflect additional indebtedness incurred since March 31, 2013, consisting of bank loans totaling approximately Ps.31.3 billion and 1.125% bonds maturing in 2018 in an aggregate amount of 300 million Swiss francs. On July 15, 2013, we agreed to issue 3.259% Senior Notes due 2023 in an aggregate principal amount of €750 million on or about July 22, 2013.

U.S. dollar amounts in the table are presented solely for your convenience using the exchange rate of Ps. 12.3546 to U.S.\$1.00, which was the rate reported by *Banco de México* for March 31, 2013, as published in the Official Gazette.

	As of March 31, 2013			
	Actual		As Adjusted	
	(millions of Mexican pesos)	(millions of U.S. dollars)	(millions of Mexican pesos)	(millions of U.S. dollars)
	(unaudited)			
Debt:				
Denominated in U.S. dollars:				
Export credit agency credits	Ps. 5,198	U.S.\$ 421	Ps. 5,198	U.S.\$ 421
Other bank loans.....	1,554	126	1,554	126
5.500% Notes due 2014.....	9,822	795	9,822	795
5.750% Notes due 2015.....	8,799	712	8,799	712
3.625% Senior Notes due 2015	9,266	750	9,266	750
5.500% Senior Notes due 2015	6,855	555	6,855	555
2.375% Senior Notes due 2016	24,709	2,000	24,709	2,000
5.625% Notes due 2017.....	7,204	583	7,204	583
5.000% Senior Notes due 2019	9,266	750	9,266	750
5.500% Senior Notes due 2019	4,662	377	4,662	377
5.000% Senior Notes due 2020	26,251	2,125	26,251	2,125
8.57% Senior Notes due 2020	4,324	350	4,324	350
3.125% Senior Notes due 2022	19,767	1,600	19,767	1,600
6.375% Notes due 2035.....	12,124	981	12,124	981
6.125% Notes due 2037.....	4,562	369	4,562	369
6.125% Senior Notes due 2040	24,709	2,000	24,709	2,000
4.375% Senior Notes due 2042	14,208	1,150	14,208	1,150
Total.....	Ps. 193,280	U.S.\$ 15,644	Ps. 193,280	U.S.\$ 15,644
Denominated in Mexican pesos:				
Domestic senior notes (<i>certificados bursátiles</i>)	46,918	3,798	46,918	3,798
8.75% Senior Notes due 2016	4,500	364	4,500	364
9.00% Senior Notes due 2016	5,000	405	5,000	405
6.45% Senior Notes due 2022	22,500	1,821	22,500	1,821
8.46% Senior Notes due 2036	7,872	637	7,872	637
Total.....	Ps. 86,790	U.S.\$ 7,025	Ps. 86,790	U.S.\$ 7,025

(Table continued on next page)

	As of March 31, 2013							
	Actual				As Adjusted			
	(millions of Mexican pesos)		(millions of U.S. dollars)		(millions of Mexican pesos)		(millions of U.S. dollars)	
	(unaudited)							
Denominated in euro:								
3.75% Senior Notes due 2017	Ps.	15,838	U.S.\$	1,282	Ps.	15,838	U.S.\$	1,282
4.125% Senior Notes due 2019		15,837		1,282		15,837		1,282
3.000% Senior Notes due 2021		15,837		1,282		15,837		1,282
4.75% Senior Notes due 2022		11,878		961		11,878		961
Total.....		59,390		4,807		59,390		4,807
Denominated in pounds sterling:								
5.00% Senior Notes due 2026		9,388		760		9,388		760
5.75% Senior Notes due 2030		12,205		988		12,205		988
4.375% Senior Notes due 2041		14,083		1,140		14,083		1,140
4.948% Senior Notes due 2033 offered hereby ⁽¹⁾		—		—		5,633		456
Total.....		35,676		2,888		41,309		3,344
Denominated in Japanese yen:								
1.23% Senior Notes due 2014		905		73		905		73
1.53% Senior Notes due 2016		669		54		669		54
2.95% Senior Notes due 2039		1,704		138		1,704		138
Total.....		3,278		265		3,278		265
Denominated in Colombian pesos		3,034		246		3,034		246
Denominated in Brazilian reais		2,019		163		2,019		163
Denominated in other currencies.....		17,557		1,421		17,557		1,421
Total debt.....		401,024		32,459		406,657		32,915
Less short-term debt and current portion of long-term debt		21,720		1,758		21,720		1,758
Total long-term debt	Ps.	379,304	U.S.\$	30,701	Ps.	384,937	U.S.\$	31,157
Equity:								
Capital stock.....		96,409		7,803		96,409		7,803
Total retained earnings		219,255		17,747		219,254		17,747
Other comprehensive income (loss) items.....		(78,540)		(6,357)		(78,540)		(6,357)
Non-controlling interest		8,990		728		8,990		728
Total equity		246,114		19,921		246,114		19,921
Total capitalization (total long-term debt plus equity).....	Ps.	625,418	U.S.\$	50,622	Ps.	631,051	U.S.\$	51,078

(1) The Mexican peso amount in the “as adjusted” column was calculated by translating pounds sterling to U.S. dollars using the exchange rate of U.S.\$1.5198 to £1.00 as published by Bloomberg for March 31, 2013, and from U.S. dollars to Mexican pesos using the exchange rate of Ps. 12.3546 to U.S.\$1.00 reported by *Banco de México* for March 31, 2013, as published in the Official Gazette.

As of March 31, 2013, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of (a) approximately Ps.349.0 billion (U.S.\$28.2 billion) excluding guarantees of our subsidiaries’ indebtedness and (b) approximately Ps.360.5 billion (U.S.\$29.2 billion) including guarantees of our subsidiaries’ indebtedness. As of March 31, 2013, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.52.1 billion (U.S.\$4.2 billion).

DESCRIPTION OF NOTES

The following description of the specific terms and conditions of the notes supplements the description of the general terms and conditions set forth under “Description of Debt Securities” in the accompanying prospectus. It is important for you to consider the information contained in the accompanying prospectus and this prospectus supplement before making an investment in the notes. If any specific information regarding the notes in this prospectus supplement is inconsistent with the more general terms and conditions of the notes described in the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

In this section of this prospectus supplement, references to “we,” “us” and “our” are to América Móvil, S.A.B. de C.V. only and do not include our subsidiaries or affiliates. 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 and Euroclear, or in notes registered in street name. Owners of beneficial interests in the notes should refer to “Form of Securities, Clearing and Settlement—Debt Securities Denominated in a Currency other than U.S. Dollars” in the accompanying prospectus.

General

Base Indenture and Supplemental Indenture

The notes were issued under a base indenture, dated as of June 28, 2012, and a supplemental indenture relating to the notes, dated as of July 22, 2013. References to the “indenture” are to the base indenture as supplemented by the supplemental indenture relating to the notes. The indenture is an agreement among us, The Bank of New York Mellon, as trustee, security registrar, paying agent and transfer agent, The Bank of New York Mellon, London Branch, as London paying agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg paying agent and transfer agent.

Principal and Interest

The aggregate principal amount of the notes offered hereby will be £300,000,000. The notes will mature on July 22, 2033. Interest on the notes will accrue at a rate of 4.948% per year from July 22, 2013.

If, prior to the maturity of the notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty Establishing the European Community, as amended from time to time, the notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the notes so re-denominated. The circumstances and consequences described in this paragraph will not entitle us, the trustee under the indenture or any holder of the notes to redeem early, rescind or receive notice relating to the notes, repudiate the terms of the notes or the indenture, raise any defense, request any compensation or make any claim, nor will these circumstances and consequences affect any of our other obligations under the notes or the indenture.

Interest on the notes will be payable on July 22 of each year, beginning on July 22, 2014, to the holders in whose names the notes are registered at the close of business on July 17 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. Interest on the notes will be computed on the basis of a 365-day year or 366-day year, as applicable, and the actual number of days elapsed.

If any payment is due on the notes on a day that is not a business day, we will make the payment on the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original payment date. Postponement of this kind will not result in a default under the notes or the indenture, and no interest will accrue on the postponed amount from the original payment date to the next business day.

“Business day” means any day on which banking and trust institutions in London are not authorized generally or obligated by law, regulation or executive order to close.

With respect to notes in certificated form, the reference to business day will also mean a day on which banking institutions generally are open for business in the location of each office of a transfer agent, but only with respect to a payment or other action to occur at that office.

Currency of Payment

All payments of principal of and premium, if any, and interest on the notes will be made in pounds sterling or, if the United Kingdom adopts the euro, in euro.

Ranking of the Notes

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.

The notes will not be guaranteed by any of our subsidiaries. Claims of creditors of our subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of our subsidiaries.

All of our outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by Telcel. Accordingly, the holders of those outstanding debt securities will have priority over the holders of the notes with respect to claims to the assets of Telcel.

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 of the notes. On the stated maturity of the principal for the notes, the full principal amount of the notes will become due and payable. 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 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 were issued only in registered form without coupons and in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof.

Except in limited circumstances, the notes were issued in the form of global notes. See “Form of Securities, Clearing and Settlement—Debt Securities Denominated in a Currency other than U.S. Dollars” in the accompanying prospectus.

Further Issues

We reserve the right, from time to time without the consent of holders of the notes, to issue additional notes on terms and conditions identical to those of the notes (except for issue date, issue price and the date from which interest will accrue and, if applicable, first be paid), which additional notes will increase the aggregate principal amount of, and will 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 investors who are not residents of Mexico for tax purposes as described under “Taxation—Mexican Tax Considerations” in the accompanying prospectus.

Subject to the limitations and exceptions described in “Description of Debt Securities—Payment of Additional Amounts” in the accompanying prospectus, we will pay to holders of the notes all additional amounts that may be necessary so that every net payment of interest or principal or premium, if any, 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. See “Description of Debt Securities—Payment of Additional Amounts” in the accompanying prospectus.

Any references in this prospectus supplement to principal, premium, if any, interest or other amounts payable in respect of the notes by us will be deemed to also refer to any additional amounts that may be payable in accordance with the provisions described under “Description of Debt Securities—Payment of Additional Amounts” in the accompanying prospectus.

Optional Redemption

We will not be permitted to redeem the notes before their stated maturity, except 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.

Optional Redemption With “Make-Whole” Amount

We will have the right at our option to redeem the notes, in whole at any time or in part from time to time, prior to their maturity, on at least 30 days’ but not more than 60 days’ notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the redemption date), discounted to the redemption date on an annual basis (calculated using a 365-day year or a 366-day year, as applicable, and the actual number of days elapsed) at the Sterling Benchmark Rate plus 15 basis points (the “make-whole” amount) plus, in each case, accrued interest on the principal amount of the notes being redeemed to the redemption date.

“Sterling Benchmark Rate” means, as of any redemption date, the rate per annum equal to the annual equivalent yield to maturity or interpolated maturity of the Comparable Sterling Benchmark Issue, assuming a price for the Comparable Sterling Benchmark Issue (expressed as a percentage of its principal amount) equal to the Comparable Sterling Benchmark Price for such redemption date.

“Comparable Sterling Benchmark Issue” means the U.K. Government security or securities selected by an Independent Sterling Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of sterling-denominated corporate debt securities of a comparable maturity to the remaining term of such notes.

“Comparable Sterling Benchmark Price” means, with respect to any redemption date, (1) the average of the Sterling Reference Dealer Quotations for such redemption date, after excluding the highest and lowest such Sterling Reference Dealer Quotation or (2) if the trustee obtains fewer than four such Sterling Reference Dealer Quotations, the average of all such quotations.

“Independent Sterling Investment Banker” means one of the Sterling Reference Dealers (as defined below) appointed by us.

“Sterling Reference Dealer” means (1) Credit Suisse Securities (Europe) Limited or Banco Santander, S.A. or their affiliates, which are primary securities dealers in securities of the U.K. Government, and their respective successors; provided that if any of the foregoing shall cease to be a primary government securities dealer of securities of the U.K. Government (a “Primary Sterling Dealer”), we will substitute therefor another Primary Sterling Dealer and (2) any other four Primary Sterling Dealers selected by us.

“Sterling Reference Dealer Quotation” means, with respect to each Sterling Reference Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Sterling Benchmark Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Sterling Reference Dealer at 11:00 a.m. (Central European Time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the notes to be redeemed on such date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Tax Redemption

We will have the right to redeem the notes upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional amounts on the notes in respect of withholding taxes at a rate in excess of 4.9%, in which case we may redeem the notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued interest to the redemption date. See “Description of Debt Securities—Optional Redemption—Redemption for Taxation Reasons” in the accompanying prospectus.

Covenants

Holders of the notes will benefit from certain covenants contained in the indenture and affecting our ability to incur liens to secure debt, enter into sale and leaseback transactions, sell shares of capital stock of Telcel, merge or consolidate with other entities and take other specified actions, as well as requiring us to provide certain reports or information to holders of notes. See “Description of Debt Securities—Covenants” and “Description of Debt Securities—Merger, Consolidation or Sale of Assets” in the accompanying prospectus.

Defaults, Remedies and Waiver of Defaults

Holders of the notes will have special rights if an event of default with respect to the notes occurs and is not cured. See “Description of Debt Securities—Defaults, Remedies and Waiver of Defaults” in the accompanying prospectus.

Defeasance

The notes will be subject to the defeasance provisions described in the accompanying prospectus under “Description of Debt Securities—Defeasance.”

Currency Indemnity

The notes will be subject to the currency indemnity provisions described in the accompanying prospectus under “Description of Debt Securities—Currency Indemnity.”

Notices

So long as the notes are represented by a global security deposited with The Bank of New York Mellon, London Branch, as the common depositary (the “Common Depositary”) for Clearstream and Euroclear, notices to be given to holders will be given to Clearstream and Euroclear in accordance with their 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.

In addition, so long as the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market and it is required by the rules of such exchange, all notices to holders of notes will be published in English:

(1) in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *Luxemburger Wort*); or

(2) on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>.

Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication. If publication as provided above is not practicable, notices will be given in such other manner, and shall be deemed to have been given on such date, as the trustee may approve.

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.

Our Relationship with the Trustee

The Bank of New York Mellon is initially serving as the trustee for the notes. The Bank of New York Mellon, London Branch is serving as London paying agent and the Common Depositary for Clearstream and Euroclear. The Bank of New York Mellon (Luxembourg) S.A. is serving as Luxembourg paying agent and transfer agent and Luxembourg listing agent. The Bank of New York Mellon and its affiliates may have other business relationships with us from time to time.

TAXATION

The following summary of certain Mexican federal and U.S. federal income tax considerations contains a description of the principal 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, or U.S. federal taxes other than income taxes (except certain European Union related taxes discussed below).

This summary is based on the tax laws of Mexico and the United States as in effect on the date of this prospectus supplement (including the tax treaty described below), 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 advisors as to the Mexican, United States or other tax consequences of the purchase, 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 *Ley del Impuesto sobre la Renta* (the “Mexican Income Tax Law”) 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 has established in Mexico its principal place of business management or its effective seat of business management. 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 United States 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 the 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 generally 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 documents evidencing this offer and the notes are notified to the CNBV, pursuant to the Mexican Securities Market Law, 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 because the conditions described in (1) through (3) above will be satisfied, except as described below, the applicable withholding tax rate will be 4.9% and we expect to withhold tax at such rate.

A higher income tax withholding rate will be applicable when the effective beneficiaries of payments treated as interest, whether directly or indirectly, individually or collectively with related persons, who receive more than 5% of the aggregate amount of such payments on the notes are (1) our shareholders who own, directly or indirectly, individually or collectively with related persons, more than 10% of our voting stock, or (2) legal entities more than 20% of whose stock is owned by us, directly or indirectly, individually or collectively with related persons, as set forth in the Mexican Income Tax Law.

Under the Mexican Income Tax Law, payments of interest we make with respect to the notes to a non-Mexican pension or retirement fund generally will be 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's Registry of Banks, Finance Entities, Pension Funds and Foreign Investment Funds.

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 Debt Securities—Payment of Additional Amounts" in the accompanying prospectus.

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 Debt Securities—Payment of Additional Amounts" in the accompanying prospectus.

In the event of certain changes in the applicable rate of Mexican withholding taxes, we may redeem the notes, in whole (but not in part) at any time, at a redemption price equal to 100% of their principal amount plus accrued interest and any additional amounts due thereon to the redemption date. See "Description of Debt Securities—Optional Redemption—Redemption for Taxation Reasons" in the accompanying prospectus.

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

Taxation of Disposition of Notes

The application of the Mexican Income 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 the notes.

U.S. Federal Income Tax Considerations

The following is a summary of the principal U.S. federal income tax considerations that may be relevant to a beneficial owner of notes that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the notes (a "U.S. holder") and certain U.S. federal income tax considerations that may be relevant to a beneficial owner of notes (other than a partnership or other entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder (a "non-U.S. holder"). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular investor's decision to invest in the notes.

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. In addition, except where noted, this summary deals only with investors that are U.S. holders who acquire the notes in the United States as part of the offering of the notes described in this prospectus supplement, who will own the notes as capital assets, and whose functional currency is the U.S. dollar. It does not address U.S. federal income tax considerations applicable to investors who may be subject to special tax rules, such as banks, financial institutions, partnerships (or entities treated as a partnership for U.S. federal income tax purposes) or partners therein, tax-exempt entities, insurance companies, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons subject to the alternative minimum tax, dealers in securities or currencies, certain short-term holders of notes, or persons that hedge their exposure in the notes or will hold notes as a position in a "straddle" or conversion transaction or as part of a "synthetic security" or other integrated financial transaction. U.S. holders should be aware that the U.S. federal income tax consequences of holding the notes may be materially different for investors described in the prior sentence.

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.

Payments of Interest and Additional Amounts

Payments of the gross amount of interest and additional amounts (as defined in “Description of Debt Securities—Payment of Additional Amounts” in the accompanying prospectus), *i.e.*, including amounts withheld in respect of Mexican withholding taxes, with respect to a note will be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received, in accordance with the U.S. holder’s regular method of tax accounting. Thus, accrual method U.S. holders will report stated interest on the note as it accrues, and cash method U.S. holders will report interest when it is received or unconditionally made available for receipt.

The amount of interest income realized by a cash method U.S. holder will be the U.S. dollar value of the pounds sterling (the “foreign currency”) received, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A cash method U.S. holder will not recognize foreign currency gain or loss with respect to the receipt of such payment, but may have foreign currency gain or loss attributable to the actual disposition of the foreign currency so received.

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 method U.S. holder will accrue interest income on the note in the foreign currency, 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 electing accrual method 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 method U.S. holder will recognize foreign currency gain or loss with respect to accrued interest income on the receipt of the interest payment if the exchange rate in effect on the date the payment is received (determined at the spot rate on the date such payment is received) differs from the exchange rate applicable to the previous accrual of that interest income (as determined above).

Foreign currency gain or loss will generally (i) be treated as ordinary income or loss, (ii) not be treated as an adjustment to interest income received on the note, and (iii) be treated as U.S. source income or as an offset to U.S. source income, respectively. 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 the Code, 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 provided that the U.S. holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. Interest and additional amounts paid on the notes generally will constitute foreign source passive category income.

The calculation and availability of foreign tax credits or deductions involve the application of complex rules (including, in the case of foreign tax credits, relating to a minimum holding period) 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.

Sale or Other Taxable Disposition of Notes

A U.S. holder generally will recognize gain or loss on the sale or other taxable disposition of the notes in an amount equal to the difference between (i) the amount realized on such sale or other taxable disposition (less any amounts attributable to accrued but unpaid interest, including any additional amounts thereon, which will be taxable as ordinary income to the extent not previously included in income) and (ii) the U.S. holder’s adjusted tax basis in the notes.

A U.S. holder’s adjusted tax basis in a note generally will be the U.S. dollar value of the purchase price of that note on the date of purchase, calculated at the exchange rate in effect on that date. In the case of maturity or retirement of a note, the amount realized generally will be the U.S. dollar value of the foreign currency 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 foreign currency, the amount realized generally will be the U.S. dollar value of the foreign currency 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 method U.S. holder (or an electing accrual method U.S. holder) will determine its adjusted tax basis or amount realized by using the exchange rate in effect on the settlement date of the purchase or disposition, as the case may be.

Subject to the foreign currency rules discussed below, gain or loss realized by a U.S. holder on such sale or other taxable disposition generally will be capital gain or loss and 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. Certain non-corporate U.S. holders (including individuals) may be eligible for preferential rates of taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

A portion of a U.S. holder's gain or loss with respect to the principal amount of the note may be treated as foreign currency gain or loss, which is treated as ordinary income or loss, and will generally be treated as U.S. source income or as an offset to U.S. source income, respectively. For these purposes, the principal amount of the note will be the U.S. holder's purchase price for the note in the foreign currency, and the amount of foreign currency 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 or other taxable 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. In addition, upon the sale or other taxable disposition of a note, an accrual method U.S. holder may realize foreign currency gain or loss attributable to amounts received in respect of accrued and unpaid interest. The amount of foreign currency gain or loss realized with respect to principal and accrued interest will, however, be limited to the amount of overall gain or loss realized on the sale or other taxable disposition of the note.

Capital gain or loss recognized by a U.S. holder, as well as any foreign currency gain or loss, generally will be U.S. source gain or loss. Consequently, if any such gain would be subject to Mexican income tax, a U.S. holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. U.S. holders should consult their own tax advisors as to the foreign tax credit implications of a disposition of the notes.

Non-U.S. Holders

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on interest received on the notes or on gain realized on the sale or other taxable disposition of the notes unless (i) the interest or 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 or other taxable disposition and certain other conditions are met.

Information Reporting and Backup Withholding

Payments on the notes, and proceeds of the sale or other taxable disposition of the notes, that are paid within the United States or through certain U.S. related financial intermediaries to a U.S. holder generally are subject to information reporting and backup withholding unless (i) the U.S. holder is a corporation or other exempt recipient and demonstrates this fact when so required or (ii) in the case of backup withholding, the U.S. holder provides an accurate taxpayer identification number, certifies that it is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Although non-U.S. holders generally are exempt from information reporting and backup withholding, a non-U.S. holder may, in certain circumstances, be required to comply with certification procedures to prove entitlement to this exemption.

European Union Tax Considerations

Under Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), each Member State of the European Union, or EU, 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, or secured by such person for, an individual beneficial owner resident in, or certain limited types of entities established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period such Member States elect otherwise) instead operate a withholding system in relation to such payments. Under such withholding system, tax will be deducted unless the beneficial owner of the interest payment elects instead for an exchange of information procedure. The rate of withholding is 35%.

The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entities established in, a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those countries and territories in relation to payments made by a person in a Member State to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entities established in, one of those countries or territories.

A proposal for amendments to the Savings Directive has been published, including a number of suggested changes which, if implemented, would broaden the scope of the rules described above. Investors who are in any doubt as to their position should consult their professional advisors.

If a payment under a note were to be made by a person in a Member State or another country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any law implementing or complying with, or introduced in order to conform to, the Savings Directive, neither we nor any paying agent nor any other person would be obliged to pay additional amounts under the terms of the note as a result of the imposition of such withholding tax. Holders should consult their tax advisors regarding the implications of the Savings Directive in their particular circumstances.

UNDERWRITING

Subject to the terms and conditions in the underwriting agreement between us and the underwriters, we have agreed to sell to the underwriters, and the underwriters have agreed to purchase from us, the principal amounts of notes set forth below.

<u>Underwriter</u>		<u>Principal Amount of Notes</u>
Credit Suisse Securities (Europe) Limited	£	120,000,000
Banco Santander, S.A.		120,000,000
Banca IMI S.p.A		30,000,000
Citigroup Global Markets Limited		30,000,000
Total	£	<u>300,000,000</u>

The underwriting agreement provides that the obligations of the underwriters to purchase the notes are subject to approval of legal matters by counsel and to other conditions. The underwriting agreement provides that the underwriters are obligated to purchase all of the notes, if any are purchased.

The underwriters propose to offer the notes at the price to public set forth on the cover page of this prospectus supplement. The underwriters may also offer the notes to securities dealers at that price less a customary selling concession. After the initial offering of the notes, the underwriters may from time to time vary the offering price and other selling terms. The underwriters may offer and sell the notes through certain of their affiliates.

We estimate that our out-of-pocket expenses for this offering will be approximately U.S.\$325,000.

The notes are a new issue of securities with no established trading market. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. However, even if admission to listing is obtained, we will not be required to maintain it. The underwriters intend to make a secondary market for the notes. However, the underwriters are not obligated to do so and may discontinue making a secondary market for the notes at any time without notice. We can provide no assurance concerning the liquidity of the trading market for the notes.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the U.S. Securities Act of 1933, as amended, or contribute to payments which the underwriters may be required to make in that respect.

Stabilization and Short Positions

In connection with the offering of the notes, Credit Suisse Securities (Europe) Limited, or any person acting for it, may, subject to applicable law, engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the underwriters. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate 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 and syndicate covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If Credit Suisse Securities (Europe) Limited, or any person acting for it, engages in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Selling Restrictions

The notes are offered for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers.

European Economic Area

Each underwriter has represented and agreed that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (1) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(2) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative or representatives nominated by América Móvil for any such offer; or

(3) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require América Móvil or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State; “Prospectus Directive” means European Council Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in the Relevant Member State; and “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented, warranted and agreed that:

(1) it has 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 Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case 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 laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (as amended, the “FIEL”) and each underwriter has agreed that it 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 FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus supplement and the accompanying prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for six months after that corporation or that trust has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Mexico

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 CNBV, and that no action has been or will be taken that would permit a public offer or sale of the notes in Mexico.

Other Matters

The underwriters and their respective affiliates have engaged in, and may in the future engage in, investment banking, commercial banking, financial advisory and other transactions and matters in the ordinary course of business with us and our affiliates. They have received customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of our company or our affiliates. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with its customary risk management policies. Typically, underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may, at any time, hold or recommend to clients that they acquire, long or short positions in such securities and instruments.

Each underwriter of the notes that is not a U.S. registered broker-dealer will make any sales of notes in the United States, or to persons in the United States, solely through one or more U.S. registered broker-dealers in compliance with the Exchange Act and the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Banco Santander, S.A. is not a broker-dealer registered with the SEC and therefore may not make sales of any notes in the U.S. or to U.S. persons except in compliance with U.S. laws and regulations. To the extent that Banco Santander, S.A. intends to effect sales in the U.S., it will do so only through Santander Investment Securities Inc. or one or more U.S. registered broker-dealers or otherwise as permitted by applicable law. Banca IMI S.p.A. is not a U.S. registered broker-dealer, and will not effect any offers or sales of any notes in the United States unless it is through one or more U.S. registered broker-dealers as permitted by the regulations of FINRA.

VALIDITY OF NOTES

The validity of the notes offered and sold in this offering will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, our United States counsel, and for the underwriters by Simpson Thacher & Bartlett LLP, United States counsel to the underwriters. Certain matters of Mexican law relating to the notes will be passed upon for us by Bufete Robles Miaja, S.C., our Mexican counsel, and for the underwriters by Raz-Guzmán, S.C., Mexican counsel to the underwriters.

EXPERTS

The consolidated financial statements of América Móvil, S.A.B. de C.V. appearing in its annual report on Form 20-F for the year ended December 31, 2012, and the effectiveness of América Móvil, S.A.B. de C.V.'s internal control over financial reporting as of December 31, 2012, have been audited by Mancera, S.C., a member practice of Ernst & Young Global, an independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

LISTING AND GENERAL INFORMATION

1. We have applied to have the notes admitted for listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market.
2. The notes have been accepted for clearance through Euroclear and Clearstream. The ISIN number and the Common Code for the notes are as follows:

	<u>ISIN Number</u>	<u>Common Code</u>
4.948% Senior Notes due 2033	XS0954302369	095430236

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 5, 2008 authorized the issuance of the notes.
4. Except as described in this listing prospectus, including the documents 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 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 listing prospectus and in the documents incorporated by reference, since December 31, 2012, 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 for listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market, copies of the following items in English will be available free of charge from The Bank of New York Mellon (Luxembourg) S.A., our listing agent, at its office at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg:
 - our audited consolidated financial statements as of December 31, 2012 and 2011 and for the years ended December 31, 2012 and 2011;
 - any related notes to these items.

For as long as any of the notes are outstanding and admitted for listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market, 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.

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

Copies of our constitutive documents are available at the office of The Bank of New York Mellon (Luxembourg) S.A., the paying agent in Luxembourg.

The trustee for the notes is The Bank of New York Mellon, 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 Mellon as trustee, including the terms and conditions under which The Bank of New York Mellon may be replaced as trustee, are contained in the indenture and the supplemental indentures available for inspection at the offices of The Bank of New York Mellon and The Bank of New York Mellon (Luxembourg) S.A.

DESCRIPTION OF THE ISSUER

América Móvil, S.A.B. de C.V. is a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico with its principal executive registered offices at Lago Zurich 245, Edificio Telcel, Colonia Granada Ampliación, Delegación Miguel Hidalgo, 11529, 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. We are a holding company and our principal assets are shares that we hold in our subsidiaries. The amount of our paid-in, authorized capital stock was Ps.96.415 million as of December 31, 2012. The total issued and outstanding shares as of December 31, 2012 was 75,839 million. 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. 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 2012 Form 20-F.



América Móvil, S.A.B. de C.V.

Debt Securities

Warrants

Guarantees

We may from time to time offer debt securities, warrants to purchase debt securities or guarantees of debt securities issued by others. This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. When we offer securities, the specific terms of the securities, the offering price and the specific manner in which they may be offered, will be described in supplements to this prospectus.

Investment in the securities involves risks. See “Risk Factors” beginning on page 4 of this prospectus.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or any accompanying prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

THIS PROSPECTUS IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE *COMISIÓN NACIONAL BANCARIA Y DE VALORES* (THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION, OR “CNBV”). THE TERMS AND CONDITIONS OF ANY OFFER OF SECURITIES WILL BE NOTIFIED TO THE CNBV FOR INFORMATIONAL PURPOSES ONLY AND SUCH NOTICE DOES NOT CONSTITUTE A CERTIFICATION AS TO THE INVESTMENT VALUE OF THE SECURITIES OR OUR SOLVENCY. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN MEXICO, ABSENT AN AVAILABLE EXCEPTION UNDER THE *LEY DEL MERCADO DE VALORES* (MEXICAN SECURITIES MARKET LAW). IN MAKING AN INVESTMENT DECISION, ALL INVESTORS, INCLUDING ANY MEXICAN CITIZEN WHO MAY ACQUIRE DEBT SECURITIES FROM TIME TO TIME, MUST RELY ON THEIR OWN EXAMINATION OF US.

June 28, 2012

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We are responsible for the information contained in this prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein and therein. We have not authorized any person to give you any other information, and we take no responsibility for any other information that others may give you. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus, any accompanying prospectus supplement and the documents incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. We are not making an offer of these securities in any state where the offer is not permitted.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a “shelf” registration process. Under this shelf process, América Móvil, S.A.B. de C.V. may from time to time offer debt securities, warrants to purchase debt securities or guarantees of debt securities issued by others.

As used in this prospectus, “América Móvil,” “we,” “our” and “us” refer to América Móvil, S.A.B. de C.V. and its consolidated subsidiaries, unless the context otherwise requires or unless otherwise specified.

This prospectus only provides a general description of the securities that we may offer. Each time we offer securities, we will prepare a prospectus supplement containing specific information about the particular offering and the terms of those securities. We may also add, update or change other information contained in this prospectus by means of a prospectus supplement or by incorporating by reference information we file with the SEC. The registration statement that we filed with the SEC includes exhibits that provide more detail on the matters discussed in this prospectus. Before you invest in any securities offered by this prospectus, you should read this prospectus, any related prospectus supplement and the related exhibits filed with the SEC, together with the additional information described under the headings “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference.”

FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this prospectus may constitute “forward-looking statements” within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Although we have based these forward-looking statements on our expectations and projections about future events, it is possible that actual events may differ materially from our expectations. In many cases, we include together with the forward-looking statements themselves a discussion of factors that may cause actual events to differ from our 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, objectives or goals, including those relating to acquisitions, competition, regulation and rates;
- statements about our future economic performance or that of Mexico or other countries in which we operate;
- competitive developments in the telecommunications sector in each of the markets where we operate or into which we may expand;
- other factors and 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 such forward-looking statements. These factors, some of which are discussed under “Risk Factors” in our most recent annual report on 20-F, which is incorporated in this prospectus by reference, any reports on Form 6-K that may be incorporated in this prospectus by reference or a prospectus supplement, include economic and political conditions and government policies in Mexico, Brazil or elsewhere, inflation rates, exchange rates, regulatory developments, technological improvements, customer demand and competition. See “Where You Can Find More Information” for information about how to obtain a copy of these documents. 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 undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

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

AMÉRICA MÓVIL

América Móvil provides telecommunications services in 18 countries. América Móvil is the largest provider of wireless communications services in Latin America, based on the number of subscribers, with the largest market share in Mexico and the third-largest market share in Brazil. América Móvil also has major fixed-line operations in Mexico, Brazil and 12 other countries. As of March 31, 2012, América Móvil had 246.0 million wireless subscribers and 59.7 million fixed revenue generating units in the Americas.

América Móvil, S.A.B. de C.V. is a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico with its principal executive offices at Lago Zurich 245, Edificio Telcel, Colonia Granada Ampliación, Delegación Miguel Hidalgo, 11529, México D.F., México. Our telephone number at this location is (5255) 2581-4449.

RISK FACTORS

We have set forth risk factors in our most recent annual report on Form 20-F, which is incorporated by reference in this prospectus. We have also set forth below certain additional risk factors that relate specifically to securities we may offer using this prospectus. We may include further risk factors in more recent reports on Form 6-K incorporated in this prospectus by reference, or in a prospectus supplement. You should carefully consider all these risk factors in addition to the other information presented or incorporated by reference in this prospectus.

Risks Relating to Debt Securities

There may not be a liquid trading market

If an active market for our debt securities does not develop, the price of our debt securities and the ability of a holder of debt securities to find a ready buyer will be adversely affected. As a result, we cannot assure you as to the liquidity of any trading market for our debt securities.

Creditors of our subsidiaries will have priority over the holders of our debt securities in claims to assets of our subsidiaries

Our debt securities will be obligations of América Móvil and not any of our subsidiaries. We conduct substantially all of our business and hold substantially all of our assets through our subsidiaries. Claims of creditors of our subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of our debt securities in claims to assets of our subsidiaries. In addition, our ability to meet our obligations, including under our debt securities, will depend, in significant part, on our receipt of cash dividends, advances and other payments from our subsidiaries.

All of our outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by our subsidiary Radiomóvil Dipsa, S.A. de C.V. (“Telcel”). Accordingly, the holders of those outstanding debt securities will have priority over the holders of the unguaranteed debt securities offered by this prospectus with respect to claims to the assets of Telcel.

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

If proceedings were brought in Mexico seeking to enforce in Mexico our obligations in respect of debt securities, we would be required to discharge our obligations in Mexico in Mexican pesos. Under the *Ley Monetaria de los Estados Unidos Mexicanos* (the Mexican Monetary Law), an obligation denominated 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 *Banco de México* and published in the Official Gazette of Mexico (*Diario Oficial de la Federación*). As a result, the amount paid by us in Mexican pesos to holders of debt securities may not be readily convertible into the amount of U.S. dollars or other currency that we are obligated to pay under the applicable indenture. In addition, our obligation to indemnify these holders against exchange losses may be unenforceable in Mexico.

Our obligations under the debt securities would be converted in the event of bankruptcy

Under Mexico’s *Ley de Concursos Mercantiles* (Law on Mercantile Reorganization), if we were declared bankrupt or in *concurso mercantil* (bankruptcy reorganization), our obligations under our debt securities:

- would be converted into Mexican pesos and then from Mexican pesos into inflation-adjusted units, or *Unidades de Inversión*;
- would be satisfied at the time claims of all our creditors are satisfied;
- would be subject to the outcome of, and priorities recognized in, the relevant proceedings;
- would cease to accrue interest; and
- would not be adjusted to take into account any depreciation of the Mexican peso against the U.S. dollar or other currency occurring after such declaration.

USE OF PROCEEDS

Unless otherwise disclosed in connection with a particular offering of securities, we intend to use the net proceeds from the sale of the securities for general corporate purposes.

DESCRIPTION OF DEBT SECURITIES

Unless otherwise specified in the applicable prospectus supplement, our debt securities will be issued under a base indenture, dated as of June 28, 2012 (the “base indenture”), and supplemental indentures relating to particular series of debt securities (collectively, the “indenture”). The indenture is an agreement among us, The Bank of New York Mellon, as trustee, and any other applicable party thereto.

Our debt securities will not be guaranteed by any of our subsidiaries. All of our outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by Telcel.

The following section summarizes the material terms that are common to all series of debt securities issued by América Móvil under the indenture, unless otherwise indicated in this section or in the prospectus supplement relating to a particular series. We will describe the particular terms of each series of debt securities offered in a supplement to this prospectus.

Because this section is a summary, it does not describe every aspect of the debt securities and the indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including the definition of various terms used in the indenture. For example, we describe the meanings for only the more important terms that have been given special meanings in the indenture. We also include references in parentheses to some sections of the base indenture.

The indenture and the documents relating to each series of debt securities contain the full legal text of the matters summarized in this section. We have filed a copy of the base indenture with the SEC as an exhibit to the registration statement of which this prospectus forms a part. We will file a copy of the supplemental indentures relating to particular series of debt securities with the SEC. Upon request, we will provide you with a copy of the indenture. See “Where You Can Find More Information” for information concerning how to obtain a copy.

In this section, references to “we,” “us” and “our” are to América Móvil, S.A.B. de C.V. only and do not include our subsidiaries or affiliates. References to “holders” mean those who have debt securities registered in their names on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in debt securities issued in book-entry form through The Depository Trust Company or in debt securities registered in street name. Owners of beneficial interests in debt securities should refer to “Form of Debt Securities, Clearing and Settlement.”

The debt securities will be issued in one or more series. The following discussion of provisions of the debt securities, including, among others, the discussion of provisions described under “—Optional Redemption,” “—Defaults, Remedies and Waiver of Defaults,” “—Modification and Waiver” and “—Defeasance,” applies to individual series of debt securities.

General

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 debt securities. 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.”
- Second, the trustee performs administrative duties for us, such as making interest payments and sending notices to holders of debt securities.

Ranking of the Debt Securities

We are a holding company and our principal assets are shares that we hold in our subsidiaries. Our debt securities will not be secured by any of our assets or properties. As a result, by owning the debt securities, you will be one of our unsecured creditors. The debt securities will not be subordinated to any of our other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against us, the debt securities would rank equally in right of payment with all our other unsecured and unsubordinated debt.

Claims of creditors of our subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the debt securities in claims to assets of our subsidiaries. All of our outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by Telcel. Accordingly, the holders of those outstanding debt securities will have priority over the holders of the debt securities with respect to claims to the assets of Telcel.

Stated Maturity and Maturity

The day on which the principal amount of the debt securities 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 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 debt securities without specifying a particular payment, we mean the stated maturity or maturity, as the case may be, of the principal.

Form and Denominations

The debt securities will be issued only in registered form without coupons and in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, unless otherwise specified in the applicable prospectus supplement. (*Section 302*)

Except in limited circumstances, the debt securities will be issued in the form of global debt securities. See “Form of Debt Securities, Clearing and Settlement.”

Further Issues

Unless otherwise specified in the applicable prospectus supplement, we reserve the right, from time to time without the consent of holders of the debt securities, to issue additional debt securities on terms and conditions identical to those of the debt securities (except for issue date, issue price and the date from which interest will accrue and, if applicable, first be paid), which additional debt securities will increase the aggregate principal amount of, and will be consolidated and form a single series with, the debt securities. (*Section 203*)

Payment Provisions

Payments on the Debt Securities

We will pay interest on the debt securities on the interest payment dates stated in the applicable prospectus supplement 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.

For interest due on a debt security on an interest payment date, we will pay the interest to the holder in whose name the debt security 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 debt security. For principal due on a debt security at maturity, we will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment. (*Section 306*)

Unless otherwise specified in the applicable prospectus supplement, we will compute interest on debt securities bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

The regular record dates relating to the interest payment dates for any debt security will be set forth in the applicable prospectus supplement.

Payments on Global Debt Securities. For debt securities issued in global form, we will make payments on the debt securities in accordance with the applicable procedures of the depository as in effect from time to time. (*Section 1002*) Under those procedures, we will make payments directly to the depository, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder’s right to receive those payments will be governed by the rules and practices of the depository and its participants.

Payments on Certificated Debt Securities. For debt securities 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 debt security. 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 debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City. (*Sections 202 and 306*)

Payment When Offices Are Closed

If any payment is due on a debt security 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 as if they were made on the original due date. Postponement of this kind will not result in a default under the debt securities or the indenture. If interest on the debt securities is calculated on the basis of a 360-day year of twelve 30-day months, no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

“Business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is (a) 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 (b) a day on which banks and financial institutions in Mexico are open for business with the general public. (*Section 101*)

Paying Agents

If we issue debt securities in certificated form, we may appoint one or more financial institutions to act as our paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. We may add, replace or terminate paying agents from time to time; *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, we will maintain a paying agent in New York City. We may also choose to act as our own paying agent. Initially, we have appointed the trustee, at its corporate trust office in New York City, as a paying agent. We must notify you of changes in the paying agents as described under “—Notices.”

Unclaimed Payments

All money paid by us to the trustee or any 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 paying agent or anyone else. (*Section 1003*)

Payment of Additional Amounts

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

We will pay to holders of the debt securities all additional amounts that may be necessary so that every net payment of interest or principal or premium to the holder will not be less than the amount provided for in the debt securities. 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 or levied 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 or on behalf of any holder or beneficial owner, or to the trustee, 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 debt security);
- 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 debt security 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 calendar 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 taxes, duties, assessments or other governmental charges with respect to a debt security 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 debt security would have been entitled to such additional amounts on presenting such debt security for payment on any date during such 15-day period;
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;

- any payment on a debt security 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 such debt security;
- any taxes, duties, assessments or other governmental charges that are imposed on a payment to an individual and are required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000, December 13, 2001, and January 21, 2003, or any law or agreement implementing or complying with, or introduced in order to conform to, such a directive; and
- any combination of the items in the bullet points above. (Section 1009)

The limitations on our obligations to pay additional amounts described in the second 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 debt security, 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. (*Section 1009(a)*)

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 second 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 limitation described in the second 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 (*Secretaría de Hacienda y Crédito Público*) 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 amounts. We will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request. (*Section 1009(a)*)

In the event that additional amounts actually paid with respect to the debt securities 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 debt securities, 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 debt securities, 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. (*Section 1009(d)*)

Any reference in this prospectus, the base indenture, any applicable supplemental indenture or the debt securities to principal, premium, if any, interest or any other amount payable in respect of the debt securities by us will be deemed also to refer to any additional amounts that may be payable with respect to that amount under the obligations referred to in this subsection. (*Section 1009(e)*)

Optional Redemption

We will not be permitted to redeem the debt securities before their stated maturity, except as set forth below. The debt securities 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 debt securities. In addition, you will not be entitled to require us to repurchase your debt securities from you before the stated maturity. (*Section 1101(a)*)

Optional Redemption

If so indicated in the applicable prospectus supplement, we will be entitled, at our option, to redeem some or all of the outstanding debt securities from time to time at the redemption price set forth in the applicable prospectus supplement. If the debt securities are redeemable only on or after a specified date or upon the satisfaction of additional conditions, the prospectus supplement will specify the date or describe the conditions. In each case we will also pay you accrued and unpaid interest, if any, through the

redemption date. Debt securities will stop bearing interest on the redemption date, even if you do not collect your money. (*Sections 301, 1101 and 1104*)

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 on which the debt securities are issued, 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 debt securities (see “—Payment of Additional Amounts” and “Taxation—Mexican Tax Considerations”), then, at our option, all, but not less than all, of the debt securities 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 of the debt securities being redeemed, plus accrued and unpaid interest, any premium applicable in the case of a redemption prior to maturity 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 debt securities were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect. (*Section 1101(c)*)

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. (*Section 1101(d)*)

This notice, after it is delivered to the holders, will be irrevocable. (*Section 1102*)

Covenants

The following covenants will apply to us and certain of our subsidiaries for so long as any debt security remains outstanding. These covenants restrict our ability and the ability of these 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 debt securities 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. (*Section 1006*)

“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 International Financial Reporting Standards (“IFRS”). (*Section 101*)

“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. *(Section 101)*

“Restricted subsidiaries” means our subsidiaries that own restricted property. *(Section 101)*

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 debt securities 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 debt securities (excluding any secured indebtedness permitted under “—Limitation on Liens”) 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 debt securities 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. *(Section 1008)*

“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 in other currencies) or more. *(Section 101)*

“Attributable debt” means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with IFRS, 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. *(Section 101)*

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. *(Section 1007)*

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 (the “Exchange Act”), 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. *(Section 1005)*

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 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. *(Section 1005)*

If we become 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 deliver a certificate to the trustee describing the details thereof and the action we are taking or propose to take. *(Section 1004)*

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 debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, “default under the debt securities” means an event of default or an event that would be an event of default with respect to the debt securities 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 officer’s certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture. (*Section 801*)

If the conditions described above are satisfied, we will not have to obtain the approval of the holders 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.

Defaults, Remedies and Waiver of Defaults

You will have special rights if an event of default with respect to the debt securities 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 debt securities:

- we fail to pay interest on any debt security within 30 days after its due date;
- we fail to pay the principal or premium, if any, of any debt security on its due date;
- we remain in breach of any covenant in the indenture for the benefit of holders of the debt securities, 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 debt securities) stating that we are in breach;
- we or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.\$50 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.\$50 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- we or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to us or Telcel.

Remedies Upon Event of Default

If an event of default with respect to the debt securities 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 debt securities, may declare the entire principal amount of all the debt securities 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 Telcel, the entire principal amount of all the debt securities 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. (*Section 502*)

Each of the situations described in the preceding paragraph is called an acceleration of the maturity of the debt securities. If the maturity of the debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the debt securities may cancel the acceleration for all the debt securities, 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 debt securities have been cured or waived. (*Section 502*)

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 debt securities 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 debt securities. (*Sections 512 and 603(e)*)

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 debt securities, 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 debt securities must make a written request that the trustee take action with respect to the debt securities 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 debt securities 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 debt securities. (*Section 507*)

You will be entitled, however, at any time to bring a lawsuit for the payment of money due on your debt securities on or after its due date. (*Section 508*)

Book-entry and other indirect holders should consult their banks 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 debt securities may waive a past default for all the debt securities. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any debt security, however, without the approval of the particular holder of that debt security. (*Section 513*)

Modification and Waiver

There are three types of changes we can make to the indenture and the outstanding debt securities under the indenture.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

- a change in the stated maturity of any principal or interest payment on a debt security;
- a reduction in the principal amount, the interest rate or the redemption price for a debt security;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on a debt security other than as permitted by the debt security;
- a change in the place of any payment on a debt security;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;

- a reduction in the percentage in principal amount of the debt securities needed to change the indenture or the outstanding debt securities under the indenture; and
- a reduction in the percentage in principal amount of the debt securities needed to waive our compliance with the indenture or to waive defaults. (*Section 902*)

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding debt securities under the indenture in any material respect. (*Section 901*)

Changes Requiring Majority Approval

Any other change to the indenture or the debt securities will be required to be approved by the holders of a majority in principal amount of the debt securities affected by the change or waiver. The required approval must be given by written consent. (*Section 902*)

The same majority approval will be required for us to obtain a waiver of any of our covenants in the indenture. Our covenants include the promises we make about merging and creating liens on our interests, which we describe under “—Merger, Consolidation or Sale of Assets” and “—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 a particular debt security or the indenture, as it affects that debt security, that we cannot change without the approval of the holder of that debt security as described under in “—Changes Requiring Each Holder’s Approval,” unless that holder approves the waiver. (*Section 1011*)

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 debt securities or request a waiver.

Defeasance

We may, at our option, elect to terminate (1) all of our obligations with respect to the debt securities (“legal defeasance”), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities (*Sections 1201 and 1202*) or (2) our 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 respect of the debt securities (*Sections 1201 and 1203*). In order to exercise either legal defeasance or covenant defeasance, we must irrevocably deposit with the trustee U.S. dollars or such other currency in which the debt securities are denominated (the “securities currency”), government obligations of the United States or a government, governmental agency or central bank of the country whose currency is the securities currency, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the debt securities then outstanding on the maturity date of the debt securities, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters. (*Sections 1201, 1204 and 1205*)

If we elect either legal defeasance or covenant defeasance with respect to any debt securities, we must so elect it with respect to all of the debt securities. (*Section 1201*)

Special Rules for Actions by Holders

When holders take any action under the 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 Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, we will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security 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. (*Section 101*)

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. 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 debt securities may be set in accordance with procedures established by the depositary from time to time. *(Section 104)*

Transfer Agents

We may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, we have appointed the trustee, at its corporate trust office in New York City, as transfer agent. We may also choose to act as our own transfer agent. We must notify you of changes in the transfer agent as described under “—Notices.” If we issue debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. 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. *(Sections 304 and 1002)*

Notices

As long as we issue debt securities in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If we issue debt securities 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. *(Section 106)*

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. *(Section 106)*

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York, United States of America. *(Section 113)*

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities or the indenture (subject to the exceptions described below), we have:

- submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, 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 our place of residence or domicile; and
- appointed 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 our behalf, 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 at the address specified above for the process agent. *(Section 115)*

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 us or our properties in other courts where jurisdiction is independently established. *(Section 115)*

To the extent that we have or hereafter may acquire or have attributed to us any sovereign or other immunity under any law, we have agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities. *(Section 115)*

Currency Indemnity

Our obligations under the debt securities will be discharged only to the extent that the relevant holder is able to purchase the securities currency with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase the securities currency in the amount originally to be paid, we have agreed to pay the difference. The holder, however, agrees that, if the amount of the securities currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to us. The holder will not be obligated to make this reimbursement if we are in default of our obligations under the debt securities. *(Section 1010)*

Our Relationship with the Trustee

The Bank of New York Mellon is initially serving as the trustee for the debt securities. The Bank of New York Mellon or its affiliates may have other business relationships with us from time to time.

DESCRIPTION OF WARRANTS

We may issue warrants, in one or more series, for the purchase of debt securities. Warrants may be issued independently or together with our debt securities and may be attached to or separate from any offered securities. In addition to this summary, you should refer to the detailed provisions of the specific warrant agreement for complete terms of the warrants and the warrant agreement. A form of warrant agreement will be filed as an exhibit to the registration statement.

The warrants will be evidenced by warrant certificates. Unless otherwise specified in the prospectus supplement, the warrant certificates may be traded separately from the debt securities, if any, with which the warrant certificates were issued. Warrant certificates may be exchanged for new warrant certificates of different denominations at the office of an agent that we will appoint. Until a warrant is exercised, the holder of a warrant does not have any of the rights of a holder of our debt securities and is not entitled to any payments on any debt securities issuable upon exercise of the warrants.

A prospectus supplement accompanying this prospectus relating to a particular series of warrants will describe the terms of those warrants, including:

- the title and the aggregate number of warrants;
- the debt securities for which each warrant is exercisable;
- the date or dates on which the right to exercise such warrants commence and expire;
- the price or prices at which such warrants are exercisable;
- the currency or currencies in which such warrants are exercisable;
- the periods during which and places at which such warrants are exercisable;
- the terms of any mandatory or optional call provisions;
- the price or prices, if any, at which the warrants may be redeemed at the option of the holder or will be redeemed upon expiration;
- the identity of the warrant agent; and
- the exchanges, if any, on which such warrants may be listed.

You may exercise warrants by payment to our warrant agent of the exercise price, in each case in such currency or currencies as are specified in the warrant, and giving your identity and the number of warrants to be exercised. Once you pay our warrant agent and deliver the properly completed and executed warrant certificate to our warrant agent at the specified office, our warrant agent will, as soon as practicable, forward securities to you in authorized denominations or share amounts. If you exercise less than all of the warrants evidenced by your warrant certificate, you will be issued a new warrant certificate for the remaining amount of warrants.

DESCRIPTION OF GUARANTEES

Under our guarantees of debt securities issued by others, we will irrevocably and unconditionally guarantee the full and punctual payment of principal, premium, if any, interest, additional amounts and any other amounts that may become due and payable by the issuer in respect of the series of debt securities that were provided with our guarantees. If the issuer fails to pay any such amount, we will pay the amount that is due and required to be paid.

Set forth below is a summary of the terms of our guarantees. This summary does not purport to be complete, and is qualified in its entirety by reference to the relevant terms of the guarantees.

Our guarantees:

- will be our unsecured and unsubordinated obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated debt (including guarantees of subsidiaries' indebtedness);
- will be effectively subordinated to all of our existing and future secured obligations and to all existing and future liabilities of our subsidiaries; and
- do not restrict our ability or the ability of our subsidiaries to incur or guarantee additional indebtedness in the future.

We are a holding company, and our principal assets are shares that we hold in our subsidiaries. Our guarantees will not be secured by any of our assets or properties. As a result, by owning our guarantees, you will be one of our unsecured creditors. The guarantees will not be subordinated to any of our other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against us, the guarantees would rank equally in right of payment with all our other unsecured and unsubordinated debt (including guarantees of subsidiaries' indebtedness).

FORM OF SECURITIES, CLEARING AND SETTLEMENT

Global Securities

Unless otherwise specified in the applicable prospectus supplement, the following information relates to the form, clearing and settlement of U.S. dollar-denominated debt securities.

We will issue the securities in global form, without interest coupons. Securities issued in global form will be represented, at least initially, by one or more global debt securities. Upon issuance, global securities will be deposited with the trustee as custodian for The Depository Trust Company (“DTC”), and registered in the name of Cede & Co., as DTC’s partnership nominee. Ownership of beneficial interests in each global security will be limited to persons who have accounts with DTC, whom we refer to as DTC participants, or persons who hold interests through DTC participants. We expect that, under procedures established by DTC, ownership of beneficial interests in each global security will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global securities).

Beneficial interests in the global securities may be credited within DTC to Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”) on behalf of the owners of such interests.

Investors may hold their interests in the global securities directly through DTC, Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants in those systems.

Beneficial interests in the global securities may not be exchanged for securities in physical, certificated form except in the limited circumstances described below.

Book-Entry Procedures for Global Securities

Interests in the global securities will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. We are not responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the New York Banking Law;
- a “banking organization” within the meaning of the New York Banking Law;
- a member of the U.S. Federal Reserve System;
- a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic computerized book-entry changes to the accounts of its participants. DTC’s participants include securities brokers and dealers; banks and trust companies; clearing corporations; and certain other organizations. Indirect access to DTC’s system is also available to others such as securities brokers and dealers; banks and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee will be considered the sole owner or holder of the securities represented by that global security for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global security:

- will not be entitled to have securities represented by the global security registered in their names;
- will not receive or be entitled to receive physical, certificated securities; and
- will not be considered the registered owners or holders of the securities under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global security must rely on the procedures of DTC to exercise any rights of a holder of securities under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the securities represented by a global security will be made by the trustee to DTC's nominee as the registered holder of the global security. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global security, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global security will be governed by standing instructions and customary practices and will be the responsibility of those participants or indirect participants and not of DTC, its nominee or us.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global security held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depository to take action to effect final settlement by delivering or receiving interests in the relevant global securities in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global security from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a global security to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global securities among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the trustee have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Securities

Beneficial interests in the global securities may not be exchanged for securities in physical, certificated form unless:

- DTC notifies us at any time that it is unwilling or unable to continue as depository for the global securities and a successor depository is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days;
- we, at our option, notify the trustee that we elect to cause the issuance of certificated securities; or
- certain other events provided in the indenture should occur, including the occurrence and continuance of an event of default with respect to the securities.

In all cases, certificated securities delivered in exchange for any global security will be registered in the names, and issued in any approved denominations, requested by the depository.

For information concerning paying agents for any securities in certificated form, see "Description of Debt Securities—Payment Provisions—Payments on Certificated Debt Securities."

Debt Securities Denominated in a Currency other than U.S. Dollars

Unless otherwise specified in the applicable prospectus supplement, the following information relates to the form, clearing and settlement of debt securities denominated in a currency other than the U.S. dollar.

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

The distribution of the debt securities will be carried through Clearstream and Euroclear. Any secondary market trading of book-entry interests in the debt securities will take place through participants in Clearstream and Euroclear and will settle in same-day funds. Owners of book-entry interests in the debt securities will receive payments relating to their debt securities in U.S. dollars or such other currency in which the debt securities are denominated, as applicable. Clearstream 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 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 or Euroclear or any of their direct or indirect participants. We do not supervise these systems in any way.

Clearstream 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 debt securities will not be entitled to have the debt securities registered in their names, will not receive or be entitled to receive physical delivery of the debt securities in definitive form and will not be considered the owners or holders of the debt securities under the indenture governing the debt securities, 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 debt security must rely on the procedures of the Clearstream 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 debt securities.

This description of the clearing systems reflects our understanding of the rules and procedures of Clearstream 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 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.

Clearstream and Euroclear

Clearstream 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 depository 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 system is also available to others that clear through Clearstream 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 debt securities through Clearstream or Euroclear accounts will follow the settlement procedures that are applicable to securities in registered form. Debt securities will be credited to the securities custody accounts of Clearstream 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 and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream 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 debt securities through Clearstream 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 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 debt securities, or to make or receive a payment or delivery of the debt securities 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 or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of participants in Clearstream or Euroclear in accordance with the relevant systemic rules and procedures, to the extent received by its depository. Clearstream or 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 or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the debt securities among participants of Clearstream 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 underwriters will settle the debt securities in immediately available funds. We will make all payments of principal and interest on the debt securities in immediately available funds. Secondary market trading between participants in Clearstream and Euroclear will occur in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to securities in immediately available funds. See “—Clearstream and Euroclear.”

Certificated Debt Securities

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

- Clearstream or Euroclear 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 debt securities; or
- certain other events provided in the indenture should occur, including the occurrence and continuance of an event of default with respect to the debt securities.

If any of these three events occurs, the trustee will reissue the debt securities in fully certificated registered form and will recognize the registered holders of the certificated debt securities as holders under the indenture.

In the event that we issue certificated securities under the limited circumstances described above, then holders of certificated securities may transfer their debt securities 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 definitive debt security, at the offices of the transfer agent in New York City. Copies of this assignment form may be obtained at the offices of the transfer agent in New York City. Each time that we transfer or exchange a new debt security in certificated form for another debt security in certificated form, and after the transfer agent receives a completed assignment form, we will make available for delivery the new definitive debt security at the offices of the transfer agent in New York City. Alternatively, at the option of the person requesting the transfer or exchange, we will mail, at that person's risk, the new definitive debt security to the address of that person that is specified in the assignment form. In addition, if we issue debt

securities in certificated form, then we will make payments of principal of, interest on and any other amounts payable under the debt securities to holders in whose names the debt securities in certificated form are registered at the close of business on the record date for these payments. If the debt securities are issued in certificated form, we will make payments of principal and any redemption payments against the surrender of these certificated debt securities at the offices of the paying agent in New York City.

Unless and until we issue the debt securities in fully-certificated, registered form,

- you will not be entitled to receive a certificate representing our interest in the debt securities;
- all references in this prospectus or any prospectus supplement to actions by holders will refer to actions taken by a depository upon instructions from their direct participants; and
- all references in this prospectus or in any prospectus supplement to payments and notices to holders will refer to payments and notices to the depository as the registered holder of the debt securities, for distribution to you in accordance with its policies and procedures.

TAXATION

The following summary of certain Mexican federal and U.S. federal income tax considerations contains a description of the principal Mexican federal and U.S. federal income tax consequences of the purchase, ownership and disposition of the debt securities, but does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the debt securities. 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, or U.S. federal taxes other than income taxes.

This summary is based on the tax laws of Mexico and the United States as in effect on the date of this registration statement (including the tax treaty described below), 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 debt securities should consult their own tax advisors as to the Mexican, United States or other tax consequences of the purchase, ownership and disposition of the debt securities, 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 *Ley del Impuesto sobre la Renta* (the “Mexican Income Tax Law”) and rules and regulations thereunder, as currently in effect, of the purchase, ownership and disposition of the debt securities by a holder that is not a resident of Mexico and that will not hold debt securities 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 has established its principal place of business management or its effective seat of business management 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 United States 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 debt securities may be subject. Prospective purchasers of debt securities 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 Debt Securities

Under the Mexican Income Tax Law, payments of interest we make in respect of the debt securities (including payments of principal in excess of the issue price of such debt securities, which, under Mexican law, are deemed to be interest) to a foreign holder will generally be subject to a Mexican withholding tax assessed at a rate of 4.9% if (1) the debt securities 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 CNBV has been notified of the issuance of the debt securities pursuant to the Mexican Income Tax Law and Article 7 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and its regulations, and (3) the information requirements specified in the general rules of the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público* or the “SHCP”) are satisfied. In case such requirements are not met, the applicable withholding tax rate will be 10%. We believe that because the conditions described in (1) through (3) above will be satisfied, the applicable withholding tax rate will be 4.9%.

A higher income tax withholding rate will be applicable when a party related to us, jointly or individually, directly or indirectly, is the effective beneficiary of more than 5% of the aggregate amount of payments treated as interest on the debt securities, as set forth in the Mexican Income Tax Law.

Payments of interest we make with respect to the debt securities 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 debt securities 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 Debt Securities—Payment of Additional Amounts.”

Holders or beneficial owners of debt securities 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 Debt Securities—Payment of Additional Amounts.”

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

Taxation of Disposition of Debt Securities

The application of Mexican tax law provisions to capital gains realized on the disposition of debt securities by foreign holders is unclear. We expect that no Mexican tax will be imposed on transfers of debt securities 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 debt securities. There are no Mexican stamp, issue registration or similar taxes payable by a foreign holder with respect to debt securities.

U.S. Federal Income Tax Considerations

The following is a summary of the principal U.S. federal income tax considerations that may be relevant to a beneficial owner of debt securities that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the debt securities (a “U.S. holder”) and certain U.S. federal income tax considerations that may be relevant to a beneficial owner of debt securities (other than a partnership or other entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder (a “non-U.S. holder”). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular investor’s decision to invest in debt securities.

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. In addition, except where noted, this summary deals only with investors that are U.S. holders who acquire the debt securities in the United States as part of the initial offering of the debt securities, who will own the debt securities as capital assets, and whose functional currency is the U.S. dollar. It does not address U.S. federal income tax considerations applicable to investors who may be subject to special tax rules, such as banks, financial institutions, partnerships (or entities treated as a partnership for U.S. federal income tax purposes) or partners therein, tax-exempt entities, insurance companies, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons subject to the alternative minimum tax, U.S. expatriates, dealers in securities or currencies, certain short-term holders of debt securities, or persons that hedge their exposure in the debt securities or will hold debt securities as a position in a “straddle” or conversion transaction or as part of a “synthetic security” or other integrated financial transaction. U.S. holders should be aware that the U.S. federal income tax consequences of holding the debt securities may be materially different for investors described in the prior sentence. This discussion also does not address all of the tax considerations that may be relevant to particular issuances of debt securities, such as debt securities offered at a price less or more than their stated principal amount or debt securities denominated in a currency other than the U.S. dollar. For information regarding any such special tax considerations relevant to particular issuances, or regarding the issuance of warrants, if any, you should read the applicable prospectus supplement.

Payments of Interest and Additional Amounts

Payments of the gross amount of interest and additional amounts (as defined in “Description of Debt Securities—Payment of Additional Amounts”) with respect to a debt security, *i.e.*, including amounts withheld in respect of Mexican withholding taxes, will be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received, in accordance with the U.S. holder’s regular method of tax accounting. Thus, accrual method U.S. holders will report stated interest on the debt security as it accrues, and cash method U.S. holders will report interest when it is received or unconditionally made available for receipt.

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 the Code, 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 (provided that the U.S. holder elects to deduct, rather than credit, all foreign income taxes paid or accrued for the relevant taxable year). Interest and additional amounts paid on the debt securities generally will constitute foreign source passive category income.

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 (including, in the case of foreign tax credits, relating to a minimum holding period) 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.

Sale or other Taxable Disposition of Debt Securities

A U.S. holder generally will recognize gain or loss on the sale or other taxable disposition of the debt securities in an amount equal to the difference between (i) the amount realized on such sale or other taxable disposition (other than amounts attributable to accrued but unpaid interest, including any additional amounts thereon, which will be taxable as ordinary income to the extent not previously included in income) and (ii) the U.S. holder's adjusted tax basis in the debt securities. A U.S. holder's adjusted tax basis in a debt security generally will be its cost for that debt security. Gain or loss realized by a U.S. holder on such sale or other taxable disposition generally will be capital gain or loss and will be long-term capital gain or loss if, at the time of the disposition, the debt securities have been held for more than one year. Certain non-corporate U.S. holders (including individuals) may be eligible for preferential rates of taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

Capital gain or loss recognized by a U.S. holder generally will be U.S.-source gain or loss. Consequently, if any such gain would be subject to Mexican income tax, a U.S. holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. U.S. holders should consult their own tax advisors as to the foreign tax credit implications of a disposition of the debt securities.

Non-U.S. Holders

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on interest received on the debt securities or on gain realized on the sale or other taxable disposition of debt securities unless (i) the interest or 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 or other taxable disposition and certain other conditions are met.

Information Reporting and Backup Withholding

Payments on the debt securities, and proceeds of the sale or other disposition of the debt securities, that are paid within the United States or through certain U.S. related financial intermediaries to a U.S. holder generally are subject to information reporting and backup withholding unless (i) the U.S. holder is a corporation or other exempt recipient and demonstrates this fact when so required or (ii) in the case of backup withholding, the U.S. holder provides an accurate taxpayer identification number, certifies that it is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

Although non-U.S. holders generally are exempt from information reporting and backup withholding, a non-U.S. holder may, in certain circumstances, be required to comply with certification procedures to prove entitlement to this exemption.

PLAN OF DISTRIBUTION

At the time of offering any securities, we will supplement the following summary of the plan of distribution with a description of the offering, including the particular terms and conditions thereof, set forth in a prospectus supplement relating to those securities.

We may sell securities in any of three ways: (1) through underwriters or dealers; (2) directly to one or a limited number of institutional purchasers; or (3) through agents. Each prospectus supplement with respect to a series of securities will set forth the terms of the offering of those securities, including the name or names of any underwriters or agents, the price of such securities and the net proceeds to us from such sale, any underwriting discounts, commissions or other items constituting underwriters' or agents' compensation, any discount or concessions allowed or reallocated or paid to dealers and any securities exchanges on which those securities may be listed.

If underwriters are used in the sale, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices to be determined at the time of sale. We may offer the securities to the public either through underwriting syndicates of investment banking firms represented by managing underwriters, or directly through one or more such investment banking firms or others, as designated. Unless otherwise set forth in the applicable prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of the securities offered thereby if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

We may sell securities either directly to one or more institutional purchasers, or through agents designated by us from time to time. Any agent involved in the offer or sale of the securities will be named, and any commissions payable by us to such agent will be set forth in the applicable prospectus supplement. Unless otherwise indicated in such prospectus supplement, any such agent will be acting on a reasonable best efforts basis for the period of its appointment.

If indicated in the applicable prospectus supplement, we will authorize agents, underwriters or dealers to solicit offers by certain specified institutions to purchase the securities from us at the public offering price set forth in the prospectus supplement plus accrued interest, if any, pursuant to delayed delivery contracts providing for payment and delivery on one or more specified dates in the future. Institutions with which such contracts may be made include commercial and saving banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all such cases we must approve such institutions. Such contracts will be subject only to those conditions set forth in such prospectus supplement and the prospectus supplement will set forth the commission payable for solicitation of those contracts.

Agents and underwriters may be entitled under agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the U.S. Securities Act of 1933, as amended, or to contribution with respect to payments which the agents or underwriters may be required to make in respect thereof.

Agents and underwriters may engage in transactions with us or perform services for us in the ordinary course of business.

In compliance with guidelines of the Financial Industry Regulatory Authority ("FINRA"), the maximum amount of underwriting compensation, including underwriting commissions or discounts, to be received by any FINRA member or independent broker dealer may not exceed 8% of the aggregate amount of the securities offered pursuant to this prospectus; however, it is anticipated that the maximum underwriting compensation to be received in any particular offering of our securities will be significantly less than this amount.

No securities will be publicly offered or traded in Mexico absent an available exception under the Mexican Securities Market Law.

EXPERTS

The consolidated financial statements of América Móvil, S.A.B. de C.V. appearing in its annual report on Form 20-F for the year ended December 31, 2011, and the effectiveness of América Móvil, S.A.B. de C.V.'s internal control over financial reporting as of December 31, 2011, have been audited by Mancera, S.C., a member practice of Ernst & Young Global, an independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

VALIDITY OF SECURITIES

Unless otherwise specified in the applicable prospectus supplement, Cleary Gottlieb Steen & Hamilton LLP will provide an opinion regarding the validity of the securities under New York law, and Bufete Robles Miaja, S.C. will provide an opinion regarding the authorization of the securities under Mexican law.

Mr. Rafael Robles Miaja, our Corporate Pro-Secretary and formerly our Corporate Secretary and member of our Board of Directors, is a partner at the firm Bufete Robles Miaja, S.C.

ENFORCEABILITY OF CIVIL LIABILITIES

América Móvil is a corporation organized under the laws of Mexico, with its principal places of business (*domicilio social*) in Mexico City. In addition, most of our directors, officers and controlling persons, as well as certain experts named in this prospectus, 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 these persons in U.S. courts, or to enforce in U.S. courts judgments obtained against these persons 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 Bufete Robles Miaja, 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

This prospectus is part of a registration statement, including exhibits, which we have filed with the SEC on Form F-3 under the Securities Act of 1933, as amended. This prospectus does not contain all of the information set forth in the registration statement. Statements made in this prospectus as to the contents of any contract, agreement or other document are not necessarily complete. We have filed certain of these documents as exhibits to our registration statement and we refer you to those documents. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

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.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and certain later information that we file with the SEC will automatically update and supersede earlier information filed with the SEC or included in this prospectus or a prospectus supplement. We incorporate by reference the following documents:

- our annual report on Form 20-F for the year ended December 31, 2011, filed with the SEC on April 30, 2012 (SEC File No. 001-16269);
- our report on Form 6-K filed with the SEC on June 28, 2012 (SEC File No. 001-16269);
- any future annual reports on Form 20-F filed with the SEC under the Exchange Act after the date of this prospectus and prior to the termination of the offering of the securities offered by this prospectus; and
- any future reports on Form 6-K that we furnish to the SEC after the date of this prospectus and prior to the termination of the offering of debt securities offered by this prospectus that are identified in such reports as being incorporated by reference in our Registration Statement on Form F-3.

You may request a copy of any and all of the information that has been incorporated by reference in this prospectus and that has not been delivered with this prospectus, at no cost, by writing or telephoning us at Lago Zurich 245, Edificio Telcel, Colonia Granada Ampliación, Delegación Miguel Hidalgo, 11529, México D.F., México, Attention: Investor Relations, telephone (5255) 2581-4449.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
América Móvil, S.A.B. de C.V.

We have audited the accompanying consolidated statements of financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2011 and 2012 and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2011 and 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 22, 2013, expressed an unqualified opinion thereon.

Mancera, S.C.
A member practice of
Ernst & Young Global

/s/ Omero Campos Segura
C.P.C. Omero Campos Segura

Mexico City, Mexico
April 22, 2013

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

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	At December 31,		Millions of U.S. dollars
	2011	2012	2012
Assets			
Current assets:			
Cash and cash equivalents (Note 4)	Ps. 59,123,996	Ps. 45,487,200	US\$ 3,496
Accounts receivable, net (Note 5)	124,973,353	120,205,954	9,239
Derivative financial instruments (Note 11)	9,793,836	2,779,749	214
Related parties (Note 18)	3,413,899	689,053	53
Inventories, net (Note 6)	34,141,317	28,697,820	2,206
Other current assets, net (Note 7)	10,846,749	11,271,463	866
Total current assets	242,293,150	209,131,239	16,074
Non-current assets:			
Property, plant and equipment, net (Note 8)	466,086,773	500,434,272	38,465
Licenses and rights of use, net (Note 9)	38,530,899	44,052,430	3,386
Trademarks, net (Note 9)	3,006,854	1,143,315	88
Goodwill (Note 9)	73,038,433	99,705,859	7,664
Investment in associated companies (Note 10)	54,218,023	73,116,285	5,620
Deferred taxes (Note 20)	33,074,458	33,996,070	2,613
Pension asset (Note 12)	22,327,733	26,589,389	2,044
Other non-current assets, net (Note 7)	15,056,421	15,729,154	1,209
Total assets	Ps.947,632,744	Ps.1,003,898,013	US\$77,163
Liabilities and equity			
Current liabilities:			
Short-term debt and current portion of long-term debt (Note 16)	Ps. 26,643,315	Ps. 13,621,806	US\$ 1,047
Accounts payable and accrued liabilities (Note 13)	178,740,455	184,056,080	14,148
Taxes payable	28,622,319	24,944,133	1,917
Derivative financial instruments (Note 11)	2,889,281	5,025,047	386
Related parties (Note 18)	1,630,265	1,254,672	96
Deferred revenues (Note 15)	26,248,679	23,956,939	1,841
Total current liabilities	264,774,314	252,858,677	19,435
Long-term debt (Note 16)	353,975,487	404,048,282	31,057
Deferred taxes (Note 20)	16,751,716	21,231,775	1,632
Deferred revenues (Note 15)	3,175,796	1,100,195	85
Employee benefits (Note 12)	13,315,736	12,335,707	948
Total liabilities	651,993,049	691,574,636	53,157
Equity (Note 19):			
Capital stock	96,419,636	96,414,841	7,411
Retained earnings:			
Prior years	81,198,952	121,679,111	9,353
Profit for the period	82,853,529	91,440,880	7,028
Total retained earnings	164,052,481	213,119,991	16,381
Other comprehensive income items	25,168,067	(7,737,017)	(595)
Equity attributable to equity holders of the parent	285,640,184	301,797,815	23,197
Non-controlling interests	9,999,511	10,525,562	809
Total equity	295,639,695	312,323,377	24,006
Total liabilities and equity	Ps.947,632,744	Ps.1,003,898,013	US\$77,163

The accompanying notes are an integral part of these financial statements.

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

Consolidated Statements of Comprehensive Income

(In thousands of Mexican pesos, except for earnings per share)

	For the year ended December 31			Millions of U.S. dollars, except for earnings per share 2012
	2010	2011	2012	
Operating revenues:				
Mobile voice services	Ps.268,030,881	Ps.281,952,808	Ps. 287,133,858	US\$22,070
Fixed voice services	140,178,225	139,219,344	123,778,159	9,514
Mobile data voice services	76,954,735	102,190,374	136,394,772	10,484
Fixed data services	66,015,070	72,007,127	83,628,831	6,428
Paid television	9,484,920	16,958,846	56,520,982	4,344
Other services	69,225,498	77,637,813	87,613,043	6,734
	<u>629,889,329</u>	<u>689,966,312</u>	<u>775,069,645</u>	<u>59,574</u>
Operating costs and expenses:				
Cost of sales and services	253,449,142	290,902,040	343,446,139	26,398
Commercial, administrative and general expenses	129,440,598	147,115,441	167,148,944	12,848
Other expenses	3,606,853	3,176,328	3,579,638	275
Depreciation and amortization (Notes 8 and 9) (includes Ps.63,749,928, Ps.67,797,929 and Ps.72,509,321 corresponding to the years ended December 31, 2010, 2011 and 2012, respectively, not included in cost of sales and services)	91,071,327	93,997,035	103,584,737	7,962
	<u>477,567,920</u>	<u>535,190,844</u>	<u>617,759,458</u>	<u>47,483</u>
Operating income	<u>152,321,409</u>	<u>154,775,468</u>	<u>157,310,187</u>	<u>12,091</u>
Interest income	4,801,539	6,853,900	5,776,600	444
Interest expense	(17,280,735)	(20,791,606)	(24,914,596)	(1,915)
Exchange gain (loss), net	5,581,574	(22,394,716)	7,395,154	568
Valuation of derivatives and other financial items, net	(11,975,955)	8,177,785	(7,810,338)	(600)
Equity interest in net income of associated companies	1,671,210	1,923,997	761,361	59
Profit before income tax	135,119,042	128,544,828	138,518,368	10,647
Income tax (Note 20)	36,213,619	40,420,662	46,378,691	3,565
Net profit for the period	<u>Ps. 98,905,423</u>	<u>Ps. 88,124,166</u>	<u>Ps. 92,139,677</u>	<u>US\$ 7,082</u>
Net profit for the period attributable to:				
Equity holders of the parent	Ps. 91,123,052	Ps. 82,853,529	Ps. 91,440,880	US\$ 7,028
Non-controlling interests	7,782,371	5,270,637	698,797	54
	<u>Ps. 98,905,423</u>	<u>Ps. 88,124,166</u>	<u>Ps. 92,139,677</u>	<u>US\$ 7,082</u>
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations	Ps. 1.15	Ps. 1.05	Ps. 1.20	US\$ 0.09
Other comprehensive income items:				
Effect of translation of foreign entities	Ps. (7,155,708)	Ps. 10,461,607	Ps.(33,175,667)	US\$ (2,550)
Effect of fair value of derivatives, net of deferred taxes	(675,686)	(317,598)	(239,164)	(18)
Total other comprehensive income items for the period	<u>(7,831,394)</u>	<u>10,144,009</u>	<u>(33,414,831)</u>	<u>(2,568)</u>
Total comprehensive income for the period	<u>Ps. 91,074,029</u>	<u>Ps. 98,268,175</u>	<u>Ps. 58,724,846</u>	<u>US\$ 4,514</u>
Comprehensive income for the period attributable to:				
Equity holders of the parent	Ps. 82,792,909	Ps. 92,935,766	Ps. 58,535,796	US\$ 4,499
Non-controlling interests	8,281,120	5,332,409	189,050	15
	<u>Ps. 91,074,029</u>	<u>Ps. 98,268,175</u>	<u>Ps. 58,724,846</u>	<u>US\$ 4,514</u>

The accompanying notes are an integral part of these financial statements.

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2010, 2011 and 2012

(In thousands of Mexican pesos)

	Capital stock	Legal Reserve	Retained earnings	Total Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Effect of translation	Total equity attributable to equity holders of the parent
Balance at January 1, 2010	Ps. 30,115,549	Ps. 358,440	Ps. 189,974,806	Ps. 190,333,246	Ps. 435,522	Ps. 22,980,451	Ps. 243,869,112
Net profit for the period			91,123,052	91,123,052			91,123,052
Effect of fair value of derivatives, net of deferred taxes					(401,357)		(401,357)
Effect of translation of foreign entities						(7,928,786)	(7,928,786)
Comprehensive income for the period			91,123,052	91,123,052	(401,357)	(7,928,786)	82,796,911
Dividends			(12,948,813)	(12,948,813)			(12,948,813)
Repurchase of shares	(4,576)		(17,488,212)	(17,488,212)			(17,492,789)
Other							
Acquisition of non-controlling interests							
Excess in purchase price over book value of acquired shares of companies under common control	66,322,488		(54,886,581)	(54,886,581)			11,435,907
Balance at December 31, 2010	96,433,461	358,440	195,774,252	196,132,692	34,165	15,051,665	307,650,615
Net profit for the period			82,853,529	82,853,529			82,853,529
Effect of fair value of derivatives, net of deferred taxes					(276,748)		(276,748)
Effect of translation of foreign entities						10,358,985	10,358,985
Comprehensive income for the period			82,853,529	82,853,529	(276,748)	10,358,985	92,935,766
Dividends			(13,987,602)	(13,987,602)			(13,987,602)
Repurchase of shares	(13,825)		(52,437,966)	(52,437,966)			(52,451,791)
Acquisition of non-controlling interests through public offer to purchases			(47,693,452)	(47,693,452)			(47,693,452)
Other acquisitions of non-controlling interests			(814,720)	(814,720)			(814,720)
Balance at December 31, 2011	96,419,636	358,440	163,694,041	164,052,481	(242,583)	25,410,650	285,642,625
Net profit for the period			91,440,880	91,440,880			91,440,880
Effect of fair value of derivatives, net of deferred taxes					(253,428)		(253,428)
Effect of translation of foreign entities						(32,651,656)	(32,651,656)
Comprehensive income for the period			91,440,880	91,440,880	(253,428)	(32,651,656)	58,536,696
Dividends			(15,216,636)	(15,216,636)			(15,216,636)
Repurchase of shares	(4,795)		(18,326,979)	(18,326,979)			(18,331,774)
Effect of consolidation of NET			(155,158)	(155,158)			(155,158)
Other acquisitions of non-controlling interests			(8,674,597)	(8,674,597)			(8,674,597)
Balance at December 31, 2012	Ps. 96,414,841	Ps. 358,440	Ps. 212,761,551	Ps. 213,119,991	Ps. (496,011)	Ps. (7,241,006)	Ps. 301,797,866

The accompanying notes are an integral part of these financial statements.

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

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

	For the year ended December 31			Millions of U.S. dollars, except for earnings per share 2012
	2010	2011	2012	
Operating activities				
Profit before income tax	Ps. 135,119,042	Ps. 128,544,828	Ps. 138,518,368	US\$ 10,647
Items not requiring the use of cash:				
Depreciation	80,294,690	82,642,200	92,268,275	7,092
Amortization of intangible assets	10,776,637	11,354,835	11,316,462	870
Equity interest in net income of associated companies	(1,671,210)	(1,923,997)	(761,361)	(59)
Loss on sale of fixed assets	806,391	32,463	112,445	9
Net period cost of labor obligations	6,160,141	6,272,520	9,214,804	708
Exchange (gain) loss, net	(3,727,490)	30,971,438	(18,908,099)	(1,453)
Interest expense	17,280,735	20,791,606	24,914,596	1,915
Valuation of derivatives, net	1,037,728	(10,692,199)	5,885,869	452
Working capital changes:				
Accounts receivable	302,354	(11,287,204)	5,077,352	391
Prepaid expenses	(1,239,958)	(1,307,557)	(379,179)	(29)
Related parties	(525,056)	(530,500)	153,888	12
Inventories	(2,868,024)	(6,721,377)	4,104,304	315
Other assets	(4,408,473)	(3,064,825)	(3,096,301)	(238)
Labor obligations	(1,797,077)	(13,030,247)	(10,716,319)	(824)
Accounts payable and accrued liabilities	10,192,387	20,966,860	(1,283,784)	(97)
Employee profit sharing	(3,446,374)	(3,346,952)	(3,354,552)	(258)
Financial instruments	2,508,129	6,130,808	(924,497)	(71)
Deferred revenues	1,373,800	994,315	1,809,425	139
Income taxes paid	(45,410,398)	(63,556,256)	(47,347,341)	(3,639)
Net cash flow provided by operating activities	<u>200,757,974</u>	<u>193,240,759</u>	<u>206,604,355</u>	<u>15,882</u>
Purchase of property, plant and equipment	(77,866,409)	(120,193,188)	(121,955,947)	(9,374)
Acquisition of licenses	(4,075,229)	(993,692)	(7,830,248)	(602)
Dividends received			571,187	44
Proceeds from sale of fixed assets	884,241	38,312	58,006	4
Cash acquired by NET consolidation			5,378,807	412
Acquisition of investments in associates	(31,463,621)	(2,271,059)	(73,849,936)	(5,676)
Net cash flow used in investing activities	<u>(112,521,018)</u>	<u>(123,419,627)</u>	<u>(197,628,131)</u>	<u>(15,192)</u>
Financing activities				
Loans obtained	180,852,643	87,230,827	140,094,584	10,768
Repayment of loans	(148,899,354)	(41,222,218)	(97,354,311)	(7,483)
Interest paid	(14,719,299)	(18,067,293)	(21,329,791)	(1,639)
Repurchase of shares	(18,150,990)	(53,726,784)	(17,836,724)	(1,371)
Dividends paid	(17,193,902)	(17,042,980)	(15,384,647)	(1,183)
Derivative financial instruments	826,850	3,158,678	5,003,187	385
Acquisition of non-controlling interests	(34,667,391)	(67,464,370)	(11,052,674)	(850)
Net cash flow used in financing activities	<u>(51,951,443)</u>	<u>(107,134,140)</u>	<u>(17,860,376)</u>	<u>(1,373)</u>
Net increase (decrease) in cash and cash equivalents	<u>36,285,513</u>	<u>(37,313,008)</u>	<u>(8,884,152)</u>	<u>(683)</u>
Adjustment to cash flows due to exchange rate fluctuations	(113,581)	498,539	(4,752,644)	(365)
Cash and cash equivalents at beginning of period	59,766,533	95,938,465	59,123,996	4,544
Cash and cash equivalents at end of period	<u>Ps. 95,938,465</u>	<u>Ps. 59,123,996</u>	<u>Ps. 45,487,200</u>	<u>US\$ 3,496</u>

Non-cash transactions related to:

<u>Non-cash investing activities</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Acquisitions of property, plant and equipment in accounts payable at end of period	Ps. 7,708,000	Ps. 36,319,549	Ps. 30,461,133
<u>Non-cash financing activities</u>			
Capital stock (Acquisition of NCI of Telmex and TII)	Ps. 66,322,488	Ps. —	—

The accompanying notes are an integral part of these financial statements.

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

Notes to Consolidated Financial Statements

December 31, 2011 and 2012

(In thousands of Mexican pesos and thousands of U.S. dollars, unless otherwise indicated)

1. Description of the business and Relevant Events

América Móvil, S.A.B. de C.V. and subsidiaries (hereinafter, the “Company or “América Móvil” or “AMX”) was incorporated under laws of Mexico on September 25, 2000. The Company provides telecommunications services in 18 countries throughout the United States, Latin America and the Caribbean. These telecommunications services include mobile and fixed voice services, mobile and fixed data services, internet access and paid TV, as well as other related services.

- The voice services provided by the Company, both mobile and fixed, mainly include the following: airtime, local, domestic and international long-distance services, and network interconnection services.
- The data services provided by the Company include the following: value added, corporate networks, data and Internet services.
- Paid TV represents basic services, as well as pay per view and additional programming and advertising services.
- Related services mainly include equipment and computer sales, and revenues from advertising in telephone directories, publishing and call center services.

In order to provide these services, América Móvil has the necessary licenses, permits and concessions (collectively referred to herein as “licenses”) to build, install, operate and exploit public and/or private telecommunications networks and provide miscellaneous telecommunications services (mostly mobile and fixed telephony services), as well as to operate frequency bands in the radio-electric spectrum to be able to provide fixed wireless telephony and to operate frequency bands in the radio-electric spectrum for point-to-point and point-to-multipoint microwave links. The Company holds licenses in the 18 countries where it has a presence, and such licenses have different dates of expiration through 2046. In the next two fiscal years there are no licenses scheduled to expire and/or terminate.

Certain licenses require the payment to the respective governments of a share in sales determined as a percentage of revenues from services under concession. The percentage is set as either a fixed rate or in some cases based on certain size of the infrastructure in operation.

América Móvil is located in Mexico City at Lago Zurich # 245, Colonia Ampliación Granada, Miguel Hidalgo, zip code 11529.

The accompanying financial statements were approved for their issuance by the Board of Directors on April 18, 2013. They were then approved by the Company’s shareholders, on April 22, 2013.

Relevant events

a) Public offers to purchase

i) In March 2011, the Company launched a public offer to purchase up to 571,391,243 outstanding Series A and L shares of Telmex Internacional, S.A. de C.V. (Telint), corresponding to 3.18% of the total outstanding shares of Telint which were not previously owned by América Móvil.

The purchase price per share was Ps.11.66 and the total amount paid as a result of the public offer was Ps.591,536. Such offer concluded on April 11, 2011.

ii) On October 11, 2011, the Company launched a tender offer for all of the outstanding shares of all classes of capital stock of Teléfonos de México, S.A.B. de C.V. (TMX or Telmex) that the Company did not directly or indirectly own. The tender offer expired on November 11, 2011 and as a result of the tender offer, América Móvil, directly and indirectly, owned 92.99% of the shares representing the capital stock of Telmex. The purchase price was Ps.10.50 per share and Ps.210 per ADS, resulting in a total purchase price of approximately Ps.62.5 billion.

During 2012, the Company increased its direct and indirect holding of the outstanding shares of Telint and TMX to 97.59% and 97.53%, respectively, through additional tender offers, in the amount of Ps.8,051,089.

The acquisition of non-controlling interest in the public tender offers described on (i) and (ii) were accounted for as an equity transaction based on the market value of the offer at the date of acquisition.

iii) Telint delisted its shares in August 2011 from the New York Stock Exchange (“NYSE”) and the NASDAQ Capital Market (“NASDAQ”). Telmex delisted its securities in February 2012 from the NYSE and NASDAQ. Each has also terminated its reporting obligations under the Mexican securities laws and the U.S. federal securities laws. Each delisted its securities from the *Mercado de Valores Latinoamericanos* en Euros in Madrid, Spain. Each has also terminated its reporting obligations under the Mexican securities laws and the U.S. federal securities laws.

iv) On December 7, 2012 TELMEX was authorized by the “Comisión Nacional Bancaria y de Valores” to proceed with the cancellation of its shares’ registration in the “Registro Nacional de Valores” and to proceed with its delisting from the Mexican Stock Exchange.

2. Basis of Preparation of the Consolidated Financial Statements and Summary of Significant Accounting Policies and Practices

a) Basis of preparation

The accompanying financial statements for all the periods presented have been prepared in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) (hereafter referred to as IFRS), in force at December 31, 2012.

The preparation of these financial statements under IFRS requires the use of critical estimates and assumptions that affect the amounts reported for certain assets and liabilities, as well as certain income and expenses. It also requires that management exercise judgment in the application of the Company’s accounting policies. Actual results could differ from these estimates and assumptions.

The Mexican peso is the functional currency and the reporting currency of these financial statements.

b) Business combination, consolidation and basis of translation of financial statements of foreign subsidiaries

i) Business combination

Subsidiaries:

The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those of the subsidiaries over which the Company exercises control. The financial statements for the subsidiaries were prepared for the same period as the holding company, applying consistent accounting policies. All of the companies operate in the telecommunications field or provide services to companies relating to this activity.

The investments in associated companies in which the Company exercises significant influence are accounted for using the equity method, whereby América Móvil recognizes its share in the net profit and equity of the associate.

The results of operations of the subsidiaries and associates were included in the Company's consolidated financial statements beginning as of the month following their acquisition.

Non-controlling interests represent the portion of profits or losses and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated Statement of Comprehensive Income and in equity in the Consolidated Statement of Financial Position separately from América Móvil's own equity.

Acquisition-related cost is accounted as an expense in the statement of comprehensive income as they are incurred.

Goodwill is initially measured as the excess of the aggregate of the fair value of the consideration transferred plus any non-controlling interest in the acquiree over the net value of the identifiable assets acquired and liabilities assumed as of the acquisition date.

ii) Consolidation and equity method

The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those of the subsidiaries over which the Company exercises control. The financial statements for the subsidiaries were prepared for the same period as the holding company, applying consistent accounting policies. All of the companies operate in the telecommunications field or provide services to companies relating to this activity.

All intercompany balances and transactions have been eliminated in the consolidated financial statements. Non-controlling interests refers to certain subsidiaries in which the Company does not hold 100% of the shares.

Non-controlling interests represent the portion of profits or losses and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated Statement of Comprehensive Income and in equity in the Consolidated Statement of Financial Position separately from América Móvil's own equity.

Acquisitions of non-controlling interest are recognized as equity transactions (transactions with owners in their capacity as owners). Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid are recognized directly in equity and attributed to the owners of the parent.

Associates:

Associates are all those entities the Company has significant influence without having control. According to IAS 28, "Investments in Associates", significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It typically occurs when an investor holds from 20% to 50% of the voting power of an investee.

Investments in associates are accounted for using the equity method and are initially recognized at cost. The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Company's participation in the profits or losses of the associate after acquisition is recognized in the income statements and its share of other comprehensive income after acquisition is recognized directly in other comprehensive income.

The Company assesses at each reporting date whether there is a objective evidence that investment in associates is impaired. If so the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

The equity interest in the principal subsidiaries and associated companies at December 31, 2011 and 2012 is as follows:

<u>Company name</u>	<u>Country</u>	<u>Equity interest at December 31</u>	
		<u>2011</u>	<u>2012</u>
Subsidiarias:			
AMX Tenedora, S.A. de C.V.	Mexico	100.0%	100.0%
AMOV Europa B.V. S.A.C.	Netherlands		100.0%
AMOV Canadá, S.A.	Mexico	100.0%	100.0%
Compañía Dominicana de Teléfonos, C. por A. (Codetel)	Dominican Republic	100.0%	100.0%
Sercotel, S.A. de C.V.	Mexico	100.0%	100.0%
Radiomóvil Dipsa, S.A. de C.V. y subsidiarias (Telcel)	Mexico	100.0%	100.0%
Telecomunicaciones de Puerto Rico, Inc.	Puerto Rico	100.0%	100.0%
Puerto Rico Telephone Company, Inc.	Puerto Rico	100.0%	100.0%
PRT Larga Distancia, Inc.	Puerto Rico		
Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras) ⁽¹⁾	Honduras	100.0%	100.0%
Amov Telecom, S.A. de C.V. ⁽¹⁾	Honduras	100.0%	—
AMX USA Holding, S.A. de C.V.	Mexico	100.0%	100.0%
TracFone Wireless, Inc. (TracFone)	United States	98.2%	98.2%
AM Telecom Américas, S.A de C.V.	Mexico	100.0%	100.0%
Claro Telecom Participacoes, S.A.	Brazil	100.0%	100.0%
Americel, S.A. ⁽²⁾	Brazil	99.4%	100.0%
Claro S.A. (antes BCP, S.A.) ⁽²⁾	Brazil	99.9%	100.0%
América Central Tel, S.A. de C.V. (ACT)	Mexico	100.0%	100.0%
Telecomunicaciones de Guatemala, S.A. (Telgua)	Guatemala	99.3%	99.3%
Empresa Nicaragüense de Telecomunicaciones, S.A. (Enitel)	Nicaragua	99.5%	99.5%
Estesa Holding Corp.	Panama	100.0%	100.0%
Cablenet, S.A.	Nicaragua	100.0%	100.0%
Estaciones Terrenas de Satélite, S.A. (Estesa)	Nicaragua	100.0%	100.0%
AMX El Salvador, S.A de C.V.	Mexico	100.0%	100.0%
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (CTE)	El Salvador	95.8%	95.8%
Cablenet, S.A. (Cablenet)	Guatemala	95.8%	95.8%
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	95.8%	95.8%
Telecom Publicar Directorios, S.A. de C.V. (Publicom)	El Salvador	48.9%	48.9%
CTE Telecom Personal, S.A. de C.V. (Personal)	El Salvador	95.8%	95.8%
Comunicación Celular, S.A. (Comcel)	Colombia	99.4%	99.4%
Megacanales, S.A.	Colombia	99.4%	99.4%
The Now Operation, S.A.	Colombia	99.4%	99.4%
Telmex Colombia, S.A.	Colombia	99.3%	99.3%
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0%	100.0%
AMX Argentina Holdings, S.A. ⁽³⁾	Argentina	100.0%	—
AMX Argentina, S.A. ⁽³⁾	Argentina	100.0%	100.0%
AMX Wellington Gardens, S.A. de C.V.	Mexico	100.0%	100.0%
Widcombe, S.A. de C.V.	Mexico	100.0%	100.0%
AMX Paraguay, S.A.	Paraguay	100.0%	100.0%
AM Wireless Uruguay, S.A.	Uruguay	100.0%	100.0%
Claro Chile, S.A.	Chile	100.0%	100.0%
América Móvil Perú, S.A.C. ⁽⁴⁾	Peru	100.0%	100.0%
Telmex Perú, S.A. ⁽⁴⁾	Peru	99.6%	—

Company name	Country	Equity interest at December 31	
		2011	2012
Claro Panamá, S.A.	Panama	99.7%	100.0%
Carso Global Telecom, S.A.B. de C.V.	Mexico	99.9%	99.9%
Empresas y Controles en Comunicaciones, S.A. de C.V.	Mexico	99.9%	99.9%
Teléfonos de México, S.A.B. de C.V. ⁽⁵⁾	Mexico	93.3%	97.5%
Telmex Internacional, S.A.B. de C.V.	Mexico	97.5%	97.6%
Controladora de Servicios de Telecomunicaciones, S.A. de C.V.	Mexico	97.5%	97.6%
Telmex Argentina, S.A.	Argentina	97.3%	99.6%
Ertach, S.A.	Argentina	97.3%	99.5%
Telstar, S.A.	Uruguay	97.3%	99.9%
Ecuador Telecom, S.A.	Ecuador	97.5%	97.6%
Empresa Brasileira de Telecomunicacoes, S.A. – Embratel	Brazil	95.1%	95.4%
Páginas Telmex Colombia, S.A.	Colombia	97.5%	97.6%
Claro 155, S.A.	Chile	97.5%	97.6%
Claro 110, S.A.	Chile	99.9%	99.9%
Sección Amarilla USA, LLC.	United States	97.5%	97.6%
Publicidad y Contenido Editorial, S.A. de C.V.	Mexico	97.5%	97.6%
Editorial Contenido, S.A. de C.V.	Mexico	97.5%	97.6%
Plaza VIP COM, S.A.P.I. de C.V. ⁽⁶⁾	Mexico	78.0%	97.6%
Grupo Telvista, S.A. de C.V.	Mexico	86.9%	88.9%
Net Serviços de Comunicação, S.A.	Brazil	87.5%	88.0%
Associated companies:			
Hildebrando, S.A. de C.V.	Mexico	34.3%	35.0%
KPN B.V.	Netherlands	—	29.77%
Telecom Austria AG	Austria	—	23.69%

- (1) On September 30, 2012, Amov Telecom, S.A. de C.V. was merged into Servicios de Comunicaciones de Honduras, S.A. de C.V.
- (2) On May 23, 2012, all of Americel, S.A.'s shares of capital stock were converted to shares of Claro, S.A.
- (3) On November 14, 2012, Argentina Holdings S.A. was merged into AMX Argentina S.A.
- (4) On May 1, 2012, Telmex Perú, S.A. was merged into América Móvil Perú, S.A.C.
- (5) During 2012, the Company increased its shareholding as a result of its tender offer to acquire the shares of Teléfonos de México, S.A.B. de C.V.
- (6) The Company signed an agreement on July 23, 2012, the Company acquired share previously owned by Plaza VIP.com bringing its ownership level to 97.6% at December 31, 2012.

iii) Basis of translation of financial statements of foreign subsidiaries and associated companies

The financial statements of foreign subsidiaries jointly represent approximately 59%, 59% and 63% of operating revenues of 2010, 2011 and 2012, respectively, and approximately 76% and 72% of total assets at December 31, 2011 and 2012, respectively. The financial information is consolidated, as appropriate, after the financial statements have been converted to IFRS in the respective local currency and translated into the reporting currency, in accordance with the following:

The reported financial statements of América Móvil's foreign operations were converted to International Financial Reporting Standards in the local currency and then translated into the reporting currency. Since none of the subsidiaries operate in a hyperinflationary economic environment and the local currency is their functional

currency, the translation of their financial statements prepared under IFRS and denominated in their respective local currencies, was translated as follows:

- all monetary assets and liabilities were translated at the prevailing exchange rate at the period closing;
- all non-monetary assets and liabilities at the prevailing exchange rate in effect at the period closing;
- equity accounts are translated at the prevailing exchange rate at the time the capital contributions were made and the profits were generated;
- revenues, costs and expenses are translated at the average exchange rate during the applicable period;
- the difference resulting from the translation process is recognized in equity in the caption “Effect of translation of foreign entities”.
- the statements of cash flows were translated using the weighted-average exchange rate for the applicable period, and the resulting difference is shown in the statement of cash flows under the heading “Adjustment to cash flow for exchange rate fluctuations”.

The difference resulting from the translation process is recognized in equity in the caption “Effect of translation of foreign entities”. At December 31, 2011 and 2012, the cumulative translation gain (loss) was Ps. 25,410,650 and Ps.(7,241,006), respectively.

c) Revenue recognition

Revenues are recognized at the time the related service is rendered, provided that the revenue may be reliably measured, it is probable that the entity will receive the economic benefits associated with the transaction, the degree of completion of the transaction may be reliably measured and there is high certainty of collectability.

During 2012, the Company reviewed its distributor agreements and concluded that based on the terms and clauses of those agreements that the appropriate IFRS presentation of commissions paid to distributors related to activation, loyalty or volume was as a commercial expense rather than as a reduction of revenues as was applied historically. Starting January 1, 2012, AMX adjusted its accounting for these amounts. For the years ended December 31, 2010 and 2011 such amounts have also been retrospectively adjusted in the Statement of Comprehensive Income for comparability purposes. This adjustment resulted in an increase in both revenues and commercial, administrative and general expenses in the amount of Ps. 22,033,651 in 2010 and Ps. 24,664,808 in 2011.

Loyalty and activation commissions are accrued monthly as an expense based on statistical information about customer retention, sales volume and the number of new customers obtained by each distributor. Retention commissions are paid when customers continue for a specified period. Volume commissions are paid at the time the distributor reaches prescribed ranges of activated clients.

Voice services

- Monthly rent in post-paid plans is billed based on the associated plan and package rates, corresponding to when the services are provided. Revenues billed for services to be rendered are recognized as deferred revenues.
- Revenues from local services are derived from charges for line installations, monthly rent for services and monthly charges for metered services based on the number of minutes. These revenues depend on the number of lines in service, the number of newly installed lines and volume of minutes.
- Revenues for interconnection services, which represent calls from other carriers entering the Company’s mobile and fixed line networks (incoming interconnection services), are recognized at the time the service is provided. Such services are invoiced based on the rates previously agreed with other carriers.

- Long-distance revenues originate from airtime or minutes used in making calls in a region or coverage areas outside of the area where the customer's service is activated. These revenues are recognized at the time the service is provided.
- Revenues from roaming charges are related to airtime charged to customers for making or receiving calls when visiting a local service area, country or region outside the local service area where the customer's service is activated. The related revenues are recognized at the time the service is provided based on the rates established and agreed upon by our subsidiaries with other domestic and international mobile carriers.

Data

- Value added services and other services include voice services and data transmission services (such as two-way and written messages, call information, ring tones, emergency services, among others). Revenues from such services are recognized at the time they are provided or when the services are downloaded.
- Internet services and the sale of point-to-point and point-to-multipoint links are recognized on the date of installation, which is similar to the date when the respective traffic begins.
- Revenues from corporate networks are obtained mainly from private lines and from providing virtual private network services. These revenues are recognized at the time the respective traffic begins.

Pay television

- Revenues from pay TV include payments for package deals, pay-per-view and advertising, all of which are recognized at the time the services are provided. Revenue is recognized for programming services that include a TV channel package, as well as for pay-per-view.

Other related services

- Advertising revenues earned through the publication of the telephone directory are recognized over the life of the directory.
- Sales of mobile phone equipment and computers, which are mostly made to authorized distributors and the general public, are recognized as revenue at the time the products are delivered and accepted by the customer, the distributors and general public do not have the right to return the products, and the recovery of the amounts is probable.

Points programs

The points programs are recognized as a reduction to revenues, since they effectively represent a decrease in the price of mobile services and equipment.

d) Cost of mobile equipment and computers

The cost of mobile equipment and computers is recognized at the time the related revenue is recognized. The costs relating to the sale of such equipment is recognized as cost of sales.

e) Cost of services

These costs include the cost of call terminations in the networks of other carriers, the costs to link the fixed and mobile networks, payments for long-distance services, rental costs for the use of infrastructure (links, ports and measured service), as well as message exchanges between carriers. Such costs are recognized at the time the service is received by the fixed or mobile carriers. These costs also include last-mile costs and line installation costs, which are also recognized at the time the services are received.

f) Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and highly liquid investments with maturities of less than three months. These investments are stated at cost plus accrued interest, which is similar to their market value.

g) Allowance for bad debts

The Company periodically recognizes a provision for doubtful accounts based mainly on its past experience, the aging of its accounts receivable, the delays in resolving its disputes with other carriers, and the market segments of its customers (governments, businesses and mass market).

Collection policies and procedures vary depending on the credit history of the customer, the credit granted, and the age of the unpaid calls in other cases.

The evaluation of collection risk of accounts receivables with related parties is performed annually based on an examination of each related party's financial situation and the markets in which they operate.

h) Inventories

Inventories are initially recognized at historical cost and are valued using the average cost method, without exceeding their net realizable value.

The estimate of the realizable value of inventories on-hand is based on their age and turnover.

i) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For acquired subsidiaries, goodwill represents the difference between the purchase price and the fair value of the net assets acquired at the acquisition date. For acquired associates, the investment in associates includes goodwill identified on acquisition, net of any impairment loss.

Goodwill is reviewed annually to determine its recoverability, or more often if circumstances indicate that the carrying value of the goodwill might not be fully recoverable.

The possible loss of value in goodwill is determined by analyzing the recovery value of the cash generating unit (or the group thereof) to which the goodwill is associated at the time it originated. If this recovery value is lower than the carrying value, an impairment loss is charged to results of operations.

For the years ended December 31, 2010, 2011 and 2012, no impairment losses were recognized for the goodwill shown in the Company's statement of financial position.

j) Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost, net of accumulated depreciation. Depreciation is computed on the cost of the assets using the straight line method, based on the estimated useful lives of the related assets, beginning the month after they become available for use.

The Company periodically assesses the residual values, useful lives and depreciation methods associated with its property, plant and equipment. If necessary, the effects of any changes in accounting estimates is recognized prospectively, at the closing of each period, in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

Borrowing costs that are incurred for general financing for construction in progress for periods exceeding six months are capitalized as part of the cost of the asset. During 2010, 2011 and 2012 the borrowing costs that were capitalized amounted to Ps. 2,540,837, Ps. 3,845,609 and Ps. 3,152,811, respectively.

Inventories for the operation of telephone plant are valued using the average cost method, without exceeding their net realizable value.

The valuation of inventories for the operation of the telephone plant considered obsolete, defective or slow-moving, are reduced to their estimated net realizable value. The estimate of the recovery value of inventories is based on their age and turnover.

In addition to the purchase price and costs directly attributable to preparing an asset in terms of its physical location and condition for use as intended by management, the cost also includes the estimated costs for the dismantlement and removal of the asset, and for restoration of the site where it is located. For property, plant and equipment made up of several components with different useful lives, the major individual components are depreciated over their individual useful lives. Maintenance costs and repairs are expensed as incurred.

The net book value of property, plant and equipment is removed from the balance sheet at the time the asset is sold or when no future economic benefits are expected from its use or sale. Any gains or losses on the sale of property, plant and equipment represent the difference between net proceeds of the sale, if any, and the net book value of the item at the time of sale. These gains or losses are recognized as either other operating income or operating expenses upon sale.

Annual depreciation rates are as follows:

Plant	3.3% to 33%
Performance monitoring equipment in the plant	33%
Buildings	3%
Other assets	10% to 33%

The carrying value of property, plant and equipment is reviewed whenever there are indicators of impairment in such assets. Whenever an asset's recovery value, which is the greater of the asset's selling price and its value in use (the present value of future cash flows), is less than the asset's net carrying value, the difference is recognized as an impairment loss.

For the years ended December 31, 2010, 2011 and 2012, no impairment losses were recognized.

k) Licenses and trademarks

Licenses are recorded at acquisition cost, net of accumulated amortization.

Licenses to operate wireless telecommunications networks are accounted for at cost or at fair value at acquisition date. Licenses are amortized using the straight-line method over a period ranging from 5 to 40 years, which represents the usage period of the assets.

The licenses that in accordance with government requirements are categorized as automatically renewable, are considered by the Company as intangible assets with an indefinite useful life. Accordingly, they are not amortized.

Trademarks are recorded at their value in use at the valuation date when acquired, as determined by independent appraisers, and are amortized using the straight-line method over a period ranging from 1 to 10 years.

The carrying value of the Company's licenses and trademarks with indefinite useful lives and with defined useful lives is reviewed annually and whenever there are indicators of impairment in the value of such assets. Whenever an asset's recovery value, which is the greater of the asset's selling price and its value in use (the present value of future cash flows), is less than the asset's net carrying amount, the difference is recognized as an impairment loss.

For the years ended December 31, 2010 2011 and 2012, no impairment losses were recognized.

l) Impairment in the value of long-lived assets

The Company has a policy in place for evaluating the existence of indicators of impairment in the carrying value of long-lived fixed assets, investments in associates, goodwill and intangible assets. When there are such indicators, or in the case of assets whose nature requires an annual impairment analysis, the recovery value of the asset is estimated, which is the greater of its fair value, less any disposal costs, and its value in use. Value in use is determined by discounting estimated future cash flows, applying a discount rate before taxes that reflects the time value of money and taking into consideration the specific risks associated with the asset. When the recovery value of an asset is below its net book value, impairment is considered to exist. In this case, the book value of the asset is reduced to the asset's recovery value, recognizing the loss in results of operations for the respective period. Depreciation and/or amortization expense of future periods is adjusted based on the new book value determined for the asset over the asset's remaining useful life. Impairment is computed individually for each asset. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In the estimation of impairments, the Company uses the strategic plans established for the separate cash generating units to which the assets are assigned. Such strategic plans generally cover a period from three to five years. For longer periods, beginning in the fifth year, projections are used that are based on such strategic plans while applying a constant or decreasing expected growth rate.

Key assumptions used in value in use calculations

The premises utilized in the projections were applied in accordance with IAS 36 for each of the Company's subsidiaries, considering each operating subsidiary as a cash generating unit (CGU).

The subsidiaries being analyzed for impairment are cash generating units that through December 31, 2012 were under the Company's operation.

The forecasts were performed by the Company's management in real terms (net of inflation) and in pesos with acquisition value as of December 31, 2012. The forecasts were made according to the 2012 budget which was approved by the Company's Chief Executive Officer (CEO) and are the same presented to the Board of Directors.

In the procedure of developing the information for the financial forecasts, premises and assumptions have been included that any other market participant in similar conditions would consider.

Local synergies have not been taken into consideration that any other market participant would not have taken to prepare similar forecasted financial information.

The premises used to develop the financial forecasts were validated by the Company's CEO and the Chief Financial Officer for each of the cash generating units, taking into consideration the following:

- Current subscribers and expected growth.
- Type of subscribers (prepaid, postpaid and fixed line)
- Market situation and penetration expectations
- New products and services
- Economic situation of each country
- Investments in maintenance of the current assets

- Investments in technology for expanding the current assets
- Market consolidation and synergies

The foregoing forecasts could differ from the results obtained through time; however, AMX has prepared its estimates based on the current situation of each of the cash generating units.

To determine the discount rate, AMX uses the weighted-average cost of capital (WACC) which was determined for each of the cash generating units in real terms and is described in following paragraphs.

The estimated discount rates to perform the IAS 36 impairment test for each CGU consider market participants assumptions. Market participants were selected taking into consideration the size, operations and characteristics of the business that were similar to those in AMX.

Discount rate and market participants

The discount rates represents the current market assessment of the risks specific to each Cash Generating Unit (CGU), taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by AMX's investors. The cost of debt is based on the interest bearing borrowings AMX is obliged to service. Segment-specific risk is incorporated by applying individual beta factors.

The beta factors are evaluated annually based on publicly available market data.

Market participant assumptions are important because, not only do they include industry data for growth rates, management also assesses how the CGU's position, relative to its competitors, might change over the budgeted period.

m) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement and requires an evaluation of whether performance of the agreement is dependent on the use of a specific asset and whether the agreement transfers the right of use of the asset to the Company.

- **Operating leases**

Leases under which the lessor retains a significant portion of the risks and benefits inherent to the ownership of the leased asset are considered operating leases. Payments made under operating lease agreements are charged to results of operations on a straight-line basis over the rental period.

- **Finance leases**

Lease agreements that transfer substantially all the risks and benefits of ownership of the leased assets to the Company are accounted for as finance leases. Accordingly, upon commencement of the lease, the asset, which is classified based on its nature, and associated debt are recorded at the lower of the fair value of the leased asset or the present value of the lease payments. Finance lease payments are apportioned between the reduction of lease liability and the finance cost so that a constant interest rate is determined on the outstanding liability balance. Finance costs are charged to results of operations over the life of the agreement.

n) Financial assets and liabilities

Financial assets and liabilities within the scope of IAS 39 generally include investments in financial instruments, debt and equity instruments, accounts receivable and other accounts receivable, loans and financing, accounts payable and accrued liabilities and derivative financial instruments.

Financial assets and liabilities are initially recognized at fair value, plus directly attributable transactions costs, except for those designated upon initial recognition at fair value through profit or loss.

The subsequent measurement of financial assets and liabilities depends on how they are classified as either financial assets and liabilities measured at fair value, financial assets and liabilities held to maturity and available for sale, loans and accounts receivable.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The financial assets of América Móvil include cash and cash equivalents, trade accounts receivable and other accounts receivable, listed and unlisted financial instruments and derivative financial instruments.

Financial liabilities are classified into the following categories based on the nature of the financial instruments contracted or issued: financial liabilities measured at fair value and financial liabilities measured at their amortized cost.

The Company's financial liabilities include accounts payable to suppliers, deferred revenues, other accounts payable, loans and derivative financial instruments. Derivative financial instruments are measured at fair value and short- and long-term debt, as well as accounts payable, are accounted for as financial liabilities measured at their amortized cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the income statement.

At initial recognition AMX did not designate any financial liabilities as fair value liabilities with changes in the income statement.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate (“EIR”) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position if, and only if (i) there is currently a legally enforceable right to offset the recognized amounts, and (ii) there is the intention to either settle them on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

At each financial statement reporting date, the fair value of financial instruments traded in active markets is determined based on market prices, or prices quoted by brokers (purchase price for asset positions and sales price for liability positions), without any deduction for transaction costs.

For financial instruments that are not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions, references to the current fair value of another financial instrument that is substantially similar, a discounted cash flow analysis or other valuation models.

Note 14 provides an analysis of the fair values of the Company’s financial instruments.

o) Transactions in foreign currency

Transactions in foreign currency are recorded at the prevailing exchange rate at the time of the related transactions. Foreign currency denominated assets and liabilities are translated at the prevailing exchange rate at the financial statement reporting date. Exchange differences determined from the transaction date to the time foreign currency denominated assets and liabilities are settled or translated at the financial statement reporting date are charged or credited to the results of operations.

p) Accounts payable, accrued liabilities and provisions

Liabilities are recognized whenever (i) the Company has current obligations (legal or assumed) resulting from a past event, (ii) when it is probable the obligation will give rise to a future cash disbursement for its settlement and (iii) the amount of the obligation can be reasonably estimated.

When the effect of the time value of money is significant, the amount of the liability is determined as the present value of the expected disbursements to settle the obligation. The discount rate is determined on a pre-tax basis and reflects current market conditions at the financial statement reporting date and, where appropriate, the risks specific to the liability. Where discounting is used, an increase in the liability is recognized as finance expense.

Contingent liabilities are recognized only when it is probable they will give rise to a future cash disbursement for their settlement. Also, contingencies are only recognized when they will generate a loss.

q) Employee benefits

The Company has defined benefit pension plans in place in its subsidiaries Radiomóvil Dipsa, S.A. de C.V., Telecomunicaciones de Puerto Rico, S.A., Teléfonos de México and Embratel. Embratel also has medical plans and defined contribution plans. These plans require the valuation and recognition of the accumulated effects of retirement and post-retirement labor obligations through actuarial computations using the projected unit credit method.

The subsidiary Consorcio Ecuatoriano de Telecomunicaciones, S.A. has a pension plan based on individual capitalization under which the Company purchases a deferred annuity from an insurance company for which the Company pays only an annual premium. Under IFRS, this plan is classified as a defined benefit plan, therefore, only the net cost of the plan for the period must be disclosed.

The Mexican subsidiaries have the obligation to pay seniority premiums to personnel based on Federal labor law, which also establishes the obligation to make certain payments to personnel who cease to provide services under certain circumstances.

The Company recognizes the cost for pension benefits, seniority premiums and termination benefits on an annual basis based on independent actuarial computations applying the projected unit-credit method, using financial assumptions net of inflation. The latest actuarial computation was prepared as of December 31, 2012.

For the rest of the Company's subsidiaries, there are no defined benefit plans or compulsory defined contribution structures. However, the foreign subsidiaries make contributions to national pension, social security and severance plans in accordance with the percentages and rates established by the applicable payroll and labor laws of each country. Such contributions are made to the entities designated by the state and are recorded as direct labor benefits in the results of operations as they are incurred.

For the actuarial losses or gains determined in the actuarial computations, the Company uses the corridor approach. This approach consists of deferring the recognition of the actuarial losses or gains and amortizing them over the estimated average remaining working lifetime of employees of the respective subsidiary, which range between 11 and 20 years.

The Company recognizes a provision for the costs of paid absences, such as vacation time, based on the accrual method.

r) Employee profit sharing

Current year employee profit sharing is presented as an operating expense in the statement of income.

s) Income taxes

Current income tax is presented as a short-term liability, net of prepayments made during the year.

Deferred income tax is determined using the liability method based on the temporary differences between the tax values of the assets and liabilities and their book values at the financial statement reporting date.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be in effect in the period when the asset will materialize or the liability will be settled, based on the enacted tax rates (and tax legislation) that have been enacted or substantially enacted at the financial statement reporting date. The value of deferred tax assets is reviewed by the Company at each financial statement reporting date and is reduced to the extent that it is more likely than not that the Company will not have sufficient future tax profits to allow for the realization of all or a part of its deferred tax assets. Unrecognized deferred tax assets are revalued at each financial statement reporting date and are recognized when it is more likely than not that there will be sufficient future tax profits to allow for the realization of these assets.

Deferred taxes relating to items recognized outside profit or loss are also recognized outside of profit and loss. These deferred taxes are recognized together with the underlying transaction, either in other comprehensive income or directly in equity.

Deferred tax consequences on unremitted foreign earnings are accounted for as temporary differences, except to the extent that the Company is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future. Taxes paid on remitted foreign earnings are able to be offset against Mexican taxes, thus to the extent that a remittance is to be made, the deferred tax would be limited to the incremental difference between the Mexican tax rate and the rate of the remitting country. As of December 31, 2011 and 2012, the Company has not provided for any deferred taxes related to unremitted foreign earnings.

t) Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

u) Advertising

Advertising expenses are expensed as incurred. For the years ended December 31, 2010, 2011 and 2012, advertising expenses were Ps.14,619,745, Ps.17,867,455 and Ps.22,652,826, respectively.

v) Earnings per share

Basic and diluted earnings per share is determined by dividing net income of the year by the weighted-average number of shares outstanding during the year (common control component of the shares are reflected for all periods presented). In determining the weighted average number of shares issued and outstanding, shares repurchased by the Company have been excluded.

w) Concentration of risk

The main financial instruments used by the Company for financing purposes are bank loans, domestic senior notes, lines of credit, fixed and floating-rate notes, loan facilities, bonds, derivative financial instruments, leases and accounts payable. The Company holds several financial assets, such as cash and cash equivalents, accounts receivable, prepaid expenses and short-term deposits that come directly from its operations.

The main risks associated with the Company's financial instruments are cash flow risk, liquidity risk, market risk and credit risk. The Company uses sensitivity analyses to measure the potential losses based on a theoretical increase of 100 basis points in interest rates and a 10% fluctuation in exchange rates. The Board of Directors approves the policies submitted by management to mitigate these risks.

Credit risk represents the loss that could be recognized in case the counterparties fail to fully comply with the contractual obligations. The Company is also exposed to market risks related to changes in interest rates and fluctuations in exchange rates. To reduce the risks related to changes in interest rates and fluctuations in exchange rates, the Company uses derivative financial instruments.

The financial instruments that potentially represent concentrations of credit risk are cash and short-term deposits, trade accounts receivable and financial instruments related to debt and derivatives. The Company's policy is designed in order to not limit its exposure to any one financial institution; therefore, the Company's financial instruments are contracted with several different financial institutions located in different geographic regions.

The credit risk in accounts receivable is diversified because the Company has a broad customer base that is geographically dispersed. The Company continuously evaluates the credit conditions of its customers and does not require collateral to guarantee collection of its accounts receivable. In the event that the Company's collection cycle deteriorates significantly, its results of operations could be adversely affected.

A portion of the Company's cash surplus is invested in term deposits with financial institutions with high credit scores.

Sensitivity analysis

a) Exchange rate fluctuations

Should the Company's debt at December 31, 2012 of Ps.417,670,088 suffer a 10% increase in exchange rates, the debt would increase by Ps.33,089,518 (resulting in total debt of Ps.450,759,606), while the Company's net interest expense would increase by Ps.1,635,843 as a consequence of the base for interest being higher in Mexican pesos.

b) Interest rates

In the event that the Company's agreed-upon interest rates at December 31, 2012 increased by 100 basis points, the increase in net interest expense would be Ps.4,222,085.

The Company depends on several key suppliers and sellers. During the years ended December 31, 2010, 2011 and 2012, approximately 67%, 58% and 55%, respectively, of the total cost of the cellular equipment of América Móvil represent purchases made from three suppliers, and approximately 45%, 29% and 20%, respectively, of the telephony plant equipment was purchased from two suppliers. If any of these suppliers were to cease to provide equipment and services to the Company, or to provide them in a timely manner and at a reasonable cost, the Company's business and results of operations might be adversely affected.

x) Derivative financial instruments

The Company is exposed to interest rate and foreign currency risks, which it tries to mitigate through a controlled risk management program that includes the use of derivative financial instruments. The Company principally uses cross-currency swaps and, if necessary, foreign currency forwards to offset the short-term risk of exchange rate fluctuations. For purposes of reducing the risks from changes in interest rates, the Company utilizes interest rate swaps through which it pays or receives the net amount resulting from paying or receiving a fixed rate, and from receiving or paying cash based on a variable rate, on notional amounts denominated mainly in Mexican pesos, U.S. dollars, Japanese yen, Swiss francs and Euros. At December 31, 2010, 2011 and 2012, some of the Company's derivative financial instruments have been designated, and have qualified, as cash flow hedges.

The policy of the Company in this regard comprises: (i) the formal documentation of all transactions between the hedging instruments and hedged positions, (ii) risk management objectives, and (iii) the strategy for executing hedging transactions. This documentation also includes the relationship between the cash flows of the derivatives with those of the Company's assets and liabilities recognized in the statement of financial position.

The effectiveness of the Company's derivatives is evaluated prior to their designation as hedges, as well as during the hedging period, which is performed at least quarterly based on recognized statistical techniques.

Whenever it is determined that a derivative is not highly effective as a hedge or that the derivative ceases to be a highly effective hedge, the Company ceases to apply hedge accounting for the derivative on a prospective basis. For the years ended December 31, 2010, 2011 and 2012, there were no gains or losses due to changes in the accounting treatment of hedges.

Derivative financial instruments are recognized in the statement of financial position at fair value, which is obtained from the financial institutions with which the agreements are entered into, and it is the Company's policy to compare such fair value to the valuation provided by an independent pricing provider retained by the Company. The effective portion of gains or losses on these derivatives is recognized in equity under the heading "Effect for fair value of derivatives", and the ineffective portion is charged to results of operations of the period. Changes in the fair value of derivatives that do not qualify as hedging instruments are recognized immediately in results of operations.

The change in fair value recognized in results of operations corresponding to derivatives that qualify as hedges is presented in the same caption of the statement of income as the gain or loss of the hedged item.

y) Presentation of statement of comprehensive income

The costs and expenses shown in América Móvil's statement of comprehensive income are presented in combined manner (based on both their function and nature), which allows a better understanding of the components of the Company's operating income. This classification allows for a comparison to the telecommunications industry.

The Company's presents operating income in its statement of comprehensive income, since it is a key indicator of the Company's performance. Operating income includes operating revenues, operating costs and expenses.

z) Operating segments

Segment information is presented based on information used by management in its decision-making processes. Segment information is presented based on the geographic areas in which the Company operates.

The management of América Móvil is responsible for making decisions regarding the resources to be allocated to the Company's different segments, as well as evaluate the performance of each segment.

z.1) Convenience translation

At December 31, 2012, amounts in U.S. dollars have been included in the financial statements solely for the convenience of the reader and have been translated to Mexican pesos at December 31, 2012 at an exchange rate of Ps.13.0101 pesos per U.S. dollar, which was the exchange rate at that date. Such translation should not be construed as a representation that the Mexican peso can be converted to U.S. dollars at the exchange rate in effect on December 31, 2012 or any other exchange rate.

3. Standards issued but not yet effective and annual improvements

IAS 19, Employee Benefits (Amendment)

On June 16, 2012, the IASB published modifications to IAS 19, *Employee Benefits*, which changes the accounting for defined benefit plans and termination benefits. The modifications require the recognition of the changes in the defined benefit obligation and plan assets when they occur, eliminating the corridor approach and accelerating the recognition of past service costs. The changes also eliminate the deferral of actuarial gains/losses, and require that they be recorded directly within other comprehensive income in each reporting period. Changes in the defined benefit obligation and plan assets are divided in three components: service cost, net

interest of net (assets) liabilities of defined benefits and remeasurement of the net (assets) liabilities for defined benefits. The net interest is calculated using a rate of return for high quality corporate bonds, which may be less than the current rate used to calculate the expected return on the plan assets, resulting in a decrease to the profit for the current period. The modifications are effective beginning January 1, 2013, with early adoption allowed. Also retrospective application is required with certain exceptions.

The Company is estimating that the retrospective application of this standard will result in a charge to the December 31, 2012 equity of Ps.56,943 million, primarily related to unamortized actuarial losses, net of deferred taxes.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard becomes effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of the adoption of this new standard.

IFRS 9, Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

The Company is currently evaluating the impact of the adoption of this new standard.

IFRS 10, Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, *Consolidation—Special Purpose Entities*.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after January 1, 2013.

The Company is currently evaluating the impact of the adoption of this new standard.

IFRS 12, Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

New disclosures are also required. This standard is effective for annual periods beginning on or after January 1st 2013.

The Company is currently evaluating the impact of the adoption of this new standard.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of the adoption of this new standard.

4. Cash and Cash Equivalents

	At December 31,	
	2011	2012
Cash in banks	Ps. 26,025,040	Ps. 17,225,343
Short-term deposits	33,098,956	28,261,857
	<u>Ps. 59,123,996</u>	<u>Ps. 45,487,200</u>

5. Accounts Receivable, net

a) An analysis of accounts receivable at December 31, 2011 and 2012 is as follows:

	At December 31,	
	2011	2012
Subscribers and distributors	Ps. 92,744,737	Ps. 96,136,373
Mobile phone carriers for network interconnection and other services including “ <i>el que llama paga</i> ” (calling party pays)	12,513,251	6,780,334
Recoverable taxes	33,305,174	26,102,082
Sundry debtors	9,769,013	13,625,309
	<u>148,332,175</u>	<u>142,644,098</u>
Less: Allowance for bad debts due from customers, distributors and mobile phone carriers	(23,358,822)	(22,438,144)
Net	<u>Ps. 124,973,353</u>	<u>Ps. 120,205,954</u>

b) Changes in the allowance for doubtful accounts during the years ended December 31, 2010, 2011 and 2012 were as follows:

	For the years ended December 31,		
	2010	2011	2012
Balance at beginning of period	Ps.(16,516,604)	Ps.(19,002,607)	Ps(23,358,822)
Increases recorded in expenses	(8,777,914)	(12,111,915)	(12,009,580)
Charges against the allowance	5,903,396	8,252,701	10,534,631
Translation effect	388,515	(497,001)	2,395,627
Balance at end of period	<u>Ps.(19,002,607)</u>	<u>Ps.(23,358,822)</u>	<u>Ps(22,438,144)</u>

c) The following table shows a breakdown of accounts receivable based on their age at December 31, 2011 and 2012, for subscribers and distributors:

	Total	Unbilled services provided about to come due	1-30 days	30-60 days	61-90 days	Greater than 90 days
December 31, 2011	Ps.92,744,737	Ps.50,330,552	Ps.16,468,777	Ps.3,655,367	Ps.2,011,698	Ps.20,278,343
December 31, 2012	Ps.96,136,373	Ps.50,031,727	Ps.18,419,119	Ps.3,473,650	Ps.2,223,077	Ps.21,988,800

6. Inventories, net

An analysis of inventories at December 31, 2011 and 2012 is as follows:

	2011	2012
Mobile phones, accessories, cards and other materials	Ps.36,479,153	Ps.30,976,789
Less: Reserve for obsolete and slow-moving inventories	(2,337,836)	(2,278,969)
Total	<u>Ps.34,141,317</u>	<u>Ps.28,697,820</u>

7. Other assets, net

a) An analysis of other assets at December 31, 2011 and 2012 is as follows:

	2011	2012
Current portion:		
Advances to suppliers (including advertising, insurance and maintenance)	Ps. 10,515,154	Ps. 10,855,588
Other	331,595	415,875
	<u>Ps. 10,846,749</u>	<u>Ps. 11,271,463</u>
Non-current portion:		
Recoverable taxes	Ps. 4,755,091	Ps. 3,305,273
Advance payments for the use of fiber optics	1,472,364	1,307,791
Prepaid expenses	8,828,966	11,116,090
Total	<u>Ps. 15,056,421</u>	<u>Ps. 15,729,154</u>

For the years ended December 31, 2010, 2011 and 2012, the amortization expense for other assets was Ps.314,652, Ps.398,383 and Ps.244,538, respectively.

8. Property, Plant and Equipment, net

An analysis of property, plant and equipment at December 31, 2011 and 2012 is as follows:

	<u>2011</u>	<u>2012</u>
Plant and equipment	Ps. 412,001,302	Ps. 467,496,768
Land and buildings	55,250,523	52,538,431
Other assets	65,455,040	67,966,573
	<u>532,706,865</u>	<u>588,001,772</u>
Less: Accumulated depreciation	(135,463,376)	(149,560,172)
Net	397,243,489	438,441,600
Construction in process and advances to equipment suppliers	50,848,277	45,967,567
Inventory for operation of the plant	17,995,007	16,025,105
Total	<u>Ps. 466,086,773</u>	<u>Ps. 500,434,272</u>

a) An analysis of property, plant and equipment, net at December 31, 2010, 2011 and 2012 is as follows:

<u>Cost</u>	<u>Plant and equipment</u>	<u>Land and buildings</u>	<u>Other assets</u>	<u>Construction in process and advances to plant suppliers</u>	<u>Inventories for operation of the plant</u>	<u>Total</u>
At January 1, 2010	Ps.346,777,412	Ps.43,018,123	Ps. 52,666,762	Ps. 34,678,740	Ps. 8,544,942	Ps. 485,685,979
Additions	69,658,347	5,563,225	17,013,627	49,295,626	16,090,226	157,621,051
Retirements and transfers	(70,803,070)	(3,994,709)	(15,292,206)	(41,672,926)	(12,408,095)	(144,171,006)
Effect of translation	(8,708,865)	(398,821)	(3,075,390)	(1,219,109)	(200,908)	(13,603,093)
At December 31, 2010	<u>Ps.336,923,824</u>	<u>Ps.44,187,818</u>	<u>Ps. 51,312,793</u>	<u>Ps. 41,082,331</u>	<u>Ps. 12,026,165</u>	<u>Ps. 485,532,931</u>
Additions	72,736,548	9,680,678	13,492,397	38,419,430	18,904,313	153,233,366
Retirements and transfers	(16,186,099)	(350,418)	(2,262,172)	(30,439,838)	(13,311,357)	(62,549,884)
Effect of translation	18,527,029	1,732,445	2,912,022	1,786,354	375,886	25,333,736
At December 31, 2011	<u>Ps.412,001,302</u>	<u>Ps.55,250,523</u>	<u>Ps. 65,455,040</u>	<u>Ps. 50,848,277</u>	<u>Ps. 17,995,007</u>	<u>Ps. 601,550,149</u>
Additions	104,483,020	2,434,107	9,923,836	19,735,005	11,603,283	148,179,251
Retirements and transfers	(25,693,072)	(1,219,353)	(5,413,649)	(21,177,560)	(12,647,522)	(66,151,156)
NET acquisition	33,098,556	255,018		128,643		33,482,217
Effect of translation	(56,393,038)	(4,181,864)	(1,977,322)	(3,588,130)	(925,663)	(67,066,017)
At December 31, 2012	<u>Ps.467,496,768</u>	<u>Ps.52,538,431</u>	<u>Ps. 67,987,905</u>	<u>Ps. 45,946,235</u>	<u>Ps. 16,025,105</u>	<u>Ps. 649,994,444</u>

<u>Cost</u>	<u>Plant and equipment</u>	<u>Land and buildings</u>	<u>Other assets</u>	<u>Construction in process and advances to plant suppliers</u>	<u>Inventories for operation of the plant</u>	<u>Total</u>
Depreciation and impairment						
At January 1, 2010	Ps. 56,241,771	Ps. 1,403,482	Ps. 9,330,713		Ps. (22,619)	Ps. 66,953,347
Depreciation of the year	63,414,234	\$ 2,933,314	13,913,627		33,515	80,294,690
Retirements and transfers	(55,238,068)	(3,809,266)	(8,930,180)		(22,509)	(68,000,023)
Effect of translation	(5,592,649)	(350,241)	413,696		(6,276)	(5,535,470)
At December 31, 2010	Ps. 58,825,288	Ps. 177,289	Ps.14,727,856		Ps. (17,889)	Ps. 73,712,544
Depreciation of the year	68,660,250	1,396,102	12,581,222		4,626	82,642,200
Retirements and transfers	(30,664,840)	(53,910)	(3,211,913)		(7,988)	(33,938,651)
Effect of translation	11,130,430	318,881	1,590,024		7,948	13,047,283
At December 31, 2011	Ps.107,951,128	Ps. 1,838,362	Ps.25,687,189		Ps. (13,303)	Ps.135,463,376
Depreciation of the year	83,905,974	1,097,460	7,282,983		(18,142)	92,268,275
Retirements and transfers	(22,753,727)	(306,881)	(6,297,626)		(24,451)	(29,382,685)
Effect of translation	(43,392,735)	(1,641,993)	(3,740,236)		(13,830)	(48,788,794)
At December 31, 2012	Ps.125,710,640	Ps. 986,948	Ps.22,932,310		Ps. (69,726)	Ps.149,560,172
Book value						
At December 31, 2010	Ps.278,098,536	Ps.44,010,529	Ps.36,584,937	Ps.41,082,331	Ps.12,044,054	Ps.411,820,387
At December 31, 2011	Ps.304,050,174	Ps.53,412,161	Ps.39,767,851	Ps.50,848,277	Ps.18,008,310	Ps.466,086,773
At December 31, 2012	Ps.341,786,128	Ps.51,551,483	Ps.45,034,263	Ps.45,967,567	Ps.16,094,831	Ps.500,434,272

b) At December 31, 2011 and 2012, property, plant and equipment include the following assets under capital leases:

	<u>2011</u>	<u>2012</u>
Assets under capital leases	Ps. 946,583	Ps. 848,622
Accumulated depreciation	(559,696)	(409,105)
	Ps. 386,887	Ps. 439,517

c) In view of the major advances and changes in telecommunications equipment technology, the Company periodically reevaluates the estimated useful lives of its plant and adjusts the remaining useful lives. In 2010, the Company increased the depreciation rates of its assets that use certain fixed telephony technologies, mainly in Brazil, Colombia, Paraguay and Guatemala. These changes in estimates were made to better reflect technological advances in telecommunications equipment in the Company's accounting. The increase in depreciation rates gave rise to an increase in depreciation expense for the years ended December 31, 2010 and 2011 of Ps.4,461,748 and Ps.6,291,113.

d) At December 31, 2012, Embratel has real property and other equipment delivered in guarantee of legal proceedings in the amount of Ps.3,518,426 (Ps.2,609,023 in 2011).

e) Relevant information related to the computation of the capitalized borrowing costs is as follows:

	<u>2010</u>	<u>At December 31, 2011</u>	<u>2012</u>
Amount invested in the acquisition of qualifying assets	Ps.41,976,901	Ps.51,240,658	Ps.52,849,800
Capitalized interest	2,540,837	3,845,609	3,152,811
Capitalization rate	6.1%	7.5%	6.0%

Capitalized interest is being amortized over a period of 7 years, which is the estimated useful life of the plant.

f) In January 2012, Star One entered into an agreement denominated in U.S. dollars with a manufacturer for the construction and launching of the Star One C-4 satellite. The cost of the project is estimated to be approximately Ps.3,772,929 (US\$290 million). At December 31, 2012, the amount of construction in process associated with this project amounts to Ps.1,386,755.

9. Intangible and Other Assets

a) An analysis of intangible and other assets at December 31, 2010, 2011 and 2012 is as follows:

At December 31, 2010						
	Balance at beginning of year	Acquisitions	Disposals	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	Ps.105,049,621	Ps.4,705,397	Ps.(404,911)			Ps.109,350,107
Effect of translation	6,099,366				Ps.(1,385,222)	4,714,144
Accumulated amortization	(60,617,305)		248,054	Ps.(9,174,142)		(69,543,393)
Net	50,531,682	4,705,397	(156,857)	(9,174,142)	(1,385,222)	44,520,858
Trademarks	12,164,862	81,612				12,246,474
Effect of translation	287,104				203,952	491,056
Accumulated amortization	(6,917,810)			(1,287,843)		(8,205,653)
Net	5,534,156	81,612		(1,287,843)	203,952	4,531,877
Goodwill	64,706,795					64,706,795
Effect of translation	4,489,371				1,722,801	6,212,172
Net	Ps. 69,196,166				Ps. 1,722,801	Ps. 70,918,967
At December 31, 2011						
	Balance at beginning of year	Acquisitions	Disposals	Amortization of the year	Effect of Translation Of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	Ps.109,350,107	Ps.2,628,249	Ps.(281,397)			Ps.111,696,959
Effect of translation	4,714,144				Ps.1,231,521	5,945,665
Accumulated amortization	(69,543,393)		163,060	Ps.(9,731,392)		(79,111,725)
Net	44,520,858	2,628,249	(118,337)	(9,731,392)	1,231,521	38,530,899
Trademarks	12,246,474					12,246,474
Effect of translation	491,056				(299,963)	191,093
Accumulated amortization	(8,205,653)			(1,225,060)		(9,430,713)
Net	4,531,877			(1,225,060)	(299,963)	3,006,854
Goodwill	64,706,795	159,797	(152,285)			64,714,307
Effect of translation	6,212,172				2,111,954	8,324,126
Net	Ps. 70,918,967	Ps. 159,797	Ps.(152,285)		Ps.2,111,954	Ps. 73,038,433

At December 31, 2012

	Balance at beginning of year	Acquisitions	Disposals	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	Ps.111,696,959	Ps.20,245,162				Ps.131,942,121
Effect of translation	5,945,665				Ps.(5,241,587)	704,078
Accumulated amortization	(79,111,725)			Ps.(9,482,044)		(88,593,769)
Net	38,530,899	20,245,162		(9,482,044)	(5,241,587)	44,052,430
Trademarks	12,246,474					12,246,474
Effect of translation	191,093				(273,659)	(82,566)
Accumulated amortization	(9,430,713)			(1,589,880)		(11,020,593)
Net	3,006,854			(1,589,880)	(273,659)	1,143,315
Goodwill	64,714,307	31,347,978	Ps.(278,756)			95,783,529
Effect of translation	8,324,126				(4,401,796)	3,922,330
Net	Ps. 73,038,433	Ps.31,347,978	Ps.(278,756)		Ps.(4,401,796)	Ps. 99,705,859

b) The following is a description of the major changes in the “Licenses and rights of use” caption during the years ended December 31, 2010, 2011 and 2012:

2010 Acquisitions

- i) In March 2010, Telcel obtained an extension on the concessions over its 9 regions to install, operate and exploit a public telecommunications network in the allocated frequencies of 835-84/880-890 Mhz, for which it paid Ps.74,843.
- ii) In August 2010, Telcel obtained concessions for its 9 operating regions to use, operate and exploit 10 Mhz frequency bandwidth of radio frequency spectrum for specific purposes in Mexico (Bid 21). These concessions are for periods of up to 20 years as of their issuance date for which the Company paid Ps.3,793,865.

Both concessions have been amortized starting the month after they were issued, using the straight line method based over their respective useful lives.

2011 Acquisitions

- i) During the first quarter of 2011, the Company won a public bid to provide mobile telecommunications services on a nationwide level in Costa Rica. The concession obtained by its subsidiary grants the Company the right to use and exploit the 70Mhz frequency range for a term of 15 years. The upfront amount paid was Ps.926 million and no further payments need to be made.
- ii) As a consequence of the acquisition of Digicel Group described in Note 10, AMX recognized a license for an amount of Ps.1,149,119 (U.S.\$82.1 million approximately).

2012 Acquisitions

- i). In January 2012, Telmex Colombia acquired a new TV license for a period of 8 years, expiring in 2020. The amount paid was Ps.253,927.
- ii) Upon consolidation of Net Serviços, the Company recognized a license for an amount of Ps. 12,414,914. Given recent changes in the telecommunications law, licenses in Brazil can be renewed indefinitely at nominal cost. Thus, the value assigned to these licenses in NET purchase accounting is not amortized.

iii) In September 2012, Claro Brazil renewed certain contracts related with its licenses of radio frequency of 450 MHz, and such licenses cover the following states of Brazil Acre, Rondonia, Tacantins, Bahia, Paraná, Santa Catarina, Rio de Janeiro, Espírito Santo, Sao Paulo, Amazonas, Maranhá, Roraima, Amapá and Pará. Such licenses expire in October 2027.

Also Claro Brazil acquired licenses related with the 4G (fourth generation) services, or Broad band of 2,500 MHz to provide 4G services in Brazilian territory, except for the Brazilian state of Amazonas. Such licenses expire between June 2014 and October 2027.

Additionally, there were renewals of the licenses of 850 MHz which expired during 2012 and 2013. These renewals expire in October, 2027.

The amount paid for these renewals was Ps. 5,710,116.

c) Amortization of licenses, rights of use and trademarks for the years ended December 31, 2010, 2011 and 2012 amounted to Ps.10,461,985, Ps.10,956,452, and Ps.11,071,924, respectively.

10. Investments in Subsidiaries and Associates

a) An analysis of this caption is as follows

	<u>At December 31,</u> 2011	<u>2012</u>
Investments in:		
Net Serviços de Comunicação, S.A. (“NET”)	Ps.53,055,002	—
Koninklijke KPN N.V. (“KPN”)		Ps.55,007,474
Telekom Austria AG (“Telekom Austria”)		16,752,724
Other investments	<u>1,163,021</u>	<u>1,356,087</u>
Total	<u>Ps 54,218,023</u>	<u>Ps.73,116,285</u>

b) The following is a summary of changes in the investment in the Company’s associates during the years ended December 31, 2010, 2011 and 2012:

	<u>Balance at</u> <u>December 31, 2009</u>	<u>Equity interest</u> <u>acquired</u>	<u>Equity interest in</u> <u>net income of</u> <u>associate</u>	<u>Effect of</u> <u>translation</u>	<u>Balance at</u> <u>December 31,</u> <u>2010</u>
NET	<u>Ps. 16,567,698</u>	<u>Ps. 31,524,315</u>	<u>Ps. 1,432,726</u>	<u>Ps. 150,641</u>	<u>Ps. 49,675,380</u>
	<u>Balance at</u> <u>December 31, 2010</u>	<u>Equity interest</u> <u>acquired</u>	<u>Equity interest in</u> <u>net income of</u> <u>associate</u>	<u>Effect of</u> <u>translation</u>	<u>Balance at</u> <u>December 31,</u> <u>2011</u>
NET	<u>Ps. 49,675,380</u>	<u>Ps. 1,185,359</u>	<u>Ps. 1,856,331</u>	<u>Ps. 337,932</u>	<u>Ps. 53,055,002</u>
	<u>Balance at</u> <u>December 31, 2011</u>	<u>Equity interest</u> <u>acquired</u> <u>(de-recognized)</u>	<u>Equity interest in</u> <u>net income of</u> <u>associate</u>	<u>Effect of</u> <u>translation</u>	<u>Balance at</u> <u>December 31,</u> <u>2012</u>
NET	<u>Ps.53,055,002</u>	<u>Ps.(53,055,002)</u>	<u>—</u>	<u>—</u>	<u>—</u>
KPN	<u>—</u>	<u>Ps. 55,081,964</u>	<u>Ps. 408,179</u>	<u>Ps.(482,669)</u>	<u>Ps.55,007,474</u>
Telekom Austria	<u>—</u>	<u>Ps. 16,363,888</u>	<u>Ps. 380,334</u>	<u>Ps. 8,502</u>	<u>Ps.16,752,724</u>

c) The following is a description of the major acquisitions during the years ended December 31, 2010, 2011 and 2012:

Acquisitions 2010

Net Serviços de Comunicação, S.A. (NET)

The Company accounted for its holdings in NET using the equity method of accounting in both 2010 and 2011 given that it did not exercise voting control over NET. During 2012, given a change in the Brazilian telecommunications laws, the Company was able to exercise an option whereby it obtained control and began consolidating NET in 2012.

In October 2010, AMX's subsidiary, Embratel, purchased 155,415,666 preferred shares, no par value, of NET through a public offer for R\$ 3,575 million (Ps.26,216 million at the exchange rate of the end of October 2010). In November 2010, Embratel purchased 3,988,819 preferred shares without voting rights for R\$93 million (Ps.677 million at the exchange rate of the end of November 2010). Additionally, in December 2010, Embratel purchased 27,143,246 preferred shares, without voting rights for R\$625 million (Ps.4,632 million at the exchange rate of the end of December 2010). At December 31, 2010, AMX through Embrapar and Embratel had a shareholding (direct and indirect) of 84.8% in NET.

The following tables show condensed consolidated financial information of NET for the year ended December 31, 2010:

Net Serviços de Comunicação, S.A.
Condensed Consolidated Statements of Income
(Thousand of Mexican pesos)

	Year ended December 31, 2010
Operating revenues, net	Ps. 36,051,290
Operating costs and expenses	31,510,857
Operating income	4,540,433
Net profit	Ps. 2,559,185

Acquisitions 2011

a) NET

As described above, in 2010 AMX's subsidiary, Embratel, purchased 155,415,666 preferred shares, no par value, of NET through a public offer. A sufficient number of preferred shares were tendered into the offer to give rise to a shareholder put right at the offer price adjusted for inflation through settlement of the put. The period for exercising the shareholder put right expired on January 13, 2011. A total of 49,847,863 preferred shares, equivalent to 21.81% of outstanding preferred shares as of October 13, 2010, were tendered during the shareholder put right period, bringing the final number of preferred shares tendered into the offer to 193,701,299. The total purchase price of all preferred shares acquired pursuant to the tender offer was approximately R\$ 4.3 billion (Ps. 31,525 million at the exchange rate as of January 13, 2011) paid in cash.

At December 31, 2011, AMX through Embrapar and Embratel had a shareholding (direct and indirect) of 87.5% in NET.

The following tables show condensed consolidated financial information of NET as of and for the year ended December 31, 2011:

Net Serviços de Comunicação, S.A.
Condensed Consolidated Statements of Financial Position
(Thousand of Mexican pesos)

	<u>As of December 31, 2011</u>
Assets	
Current assets	Ps.12,150,510
Non current assets	<u>63,961,551</u>
Total of assets	<u><u>Ps.76,112,061</u></u>
Liabilities and equity	
Current liabilities	Ps.12,968,905
Non current liabilities	<u>25,857,182</u>
Total of liabilities	<u>38,826,087</u>
Total of equity	<u>37,285,974</u>
Total of liabilities and equity	<u><u>Ps.76,112,061</u></u>

Condensed Consolidated Statements of Income

	<u>Year ended December 31, 2011</u>
Operating revenues, net	Ps.45,631,540
Operating costs and expenses	<u>41,117,974</u>
Operating income	<u>4,513,566</u>
Net profit	<u><u>Ps. 2,005,330</u></u>

b) Other acquisition in 2011

Star One S.A.

In July 2011, Empresa Brasileira de Telecomunicações S.A. (“Embratel”) acquired a 20% interest in Star One S.A. (“Star One”) from GE Satellite Holdings LLC and its affiliates for a total purchase price of Ps.2,716 million (US\$ 235 million). Star One is a Brazilian company that provides satellite services in Brazil. Prior to that date, Embratel owned the remaining 80% interest in Star One, so that Embratel now owns all of the shares.

Digicel Group Limited

In November 2011, América Móvil acquired 100% of Digicel Group Limited and its affiliates’ (“Digicel”) operations in Honduras and sold its operations in Jamaica to Digicel. The net amount paid was Ps.4,733,385.

Acquisitions 2012

a) Acquisition of Control over NET

On January 26, 2012, the National Telecommunications Agency of Brazil, expressed its consent to the transfer of control of NET. This authorization then allowed Embrapar to exercise a call option on the shares held by GB Empreendimentos e Participações SA (GB), a company that previously controlled NET, which until that time

was controlled by Globo Comunicação e Participações S.A. (Globo). Once this option was exercised, Embrapar and its subsidiary Embratel would have voting control of NET. The ability to exercise the option resulted in the Company effectively controlling NET.

On March 5, 2012 Embrapar exercised the option and purchased ordinary shares of GB. The acquired shares represented 5.5% of the ordinary shares. As a result of this acquisition, Embrapar reached 54.54% in the voting capital of GB. As a result of this transaction, America Movil held an equity interest (directly and indirectly) in NET of 88.0%. Embrapar held an equity interest (directly and indirectly) in NET of 95.23%.

As a result of AMX obtaining control of NET, the Company recognized the acquisition as a business combination in accordance with IFRS 3 based on the fair value of NET's assets acquired, liabilities assumed and the non-controlling interest. Accordingly, the Company derecognized its equity method investment in NET. The difference between its carrying value and the fair value of the non-controlling interest at the acquisition date was not material. The fair value of the assets acquired and liabilities assumed was consolidated into the Company's statement of financial position, and NET's operating results were consolidated in the statement of comprehensive income beginning January 1, 2012.

The acquisition cost of NET consists of the fair value of the equity method investment previously held, plus the amount of cash required to exercise the option to control NET, as shown in the table below.

The estimated fair value of the net assets acquired is as follows:

Current assets	Ps.10,332,298
Plant and equipment	33,482,219
Intangibles	19,287,138
Others non currents assets	2,821,826
Total of assets acquired	<u>65,923,481</u>
Liabilities and account payable short-term	16,062,621
Liabilities and account payable short-term	6,998,214
Long term debt	16,165,150
Total of liabilities assumed	<u>39,225,985</u>
Fair value of net assets identified	26,697,496
Fair value of non controlling interest	(3,798,181)
Goodwill recognized on acquisition	30,601,656
Payment to obtain controlling interest of NET	<u>(47,951)</u>
Fair value of investment in NET de-recognized at the acquisition date	<u><u>Ps.53,453,020</u></u>

The amounts of revenue and net profit of NET recorded in the Company's 2012 consolidated financial statements since the January 1, 2012 date of consolidation were Ps. 52,722,225 and Ps. 2,661,622, respectively.

a) KoninKlijke KPN N.V. ("KPN").

On May 29, 2012, AMOV Europa B.V. ("AMOV"), a wholly-owned subsidiary of AMX, commenced a partial tender offer in cash to all holders of ordinary shares of Koninklijke KPN N.V. ("KPN"). KPN is the leading telecommunications service provider in The Netherlands, which offers fixed-line and wireless telecommunications services, internet and Pay TV to consumers, and end-to-end telecommunications services to business customers. AMOV offered to purchase up to the number of shares that would result in AMOV and América Móvil holding 393,283,000 shares (representing a total of up to approximately 27.7% of all outstanding shares of KPN). The offer expired on June 27, 2012, and more than a sufficient number of shares needed for us to reach the maximum

ownership amount of 27.7% of the outstanding shares was tendered. Upon closing of the tender offer, the total aggregate cost of the Company's investment in KPN is approximately €3,047 million (Ps.52.2 billion).

The following table shows condensed consolidated financial information of KPN:

Koninklijke KPN N.V.	
Condensed Consolidated Statements of Financial Position	
(Thousand of Mexican pesos)	
	As of December 31, 2012
Assets	
Current assets	Ps. 53,250,283
Non current assets	331,997,809
Total of assets	Ps.385,248,092
Liabilities and equity	
Current liabilities	Ps.100,656,441
Non current liabilities	242,291,506
Total of liabilities	342,946,947
Total of equity	42,301,145
Total of liabilities and equity	Ps.385,248,092

The Company's equity method purchase price allocation is preliminary in nature, in that its final determination of the fair value of non-monetary assets has yet to be completed. The Company is currently in the process of making the necessary assessments in order to determine the specific fair value of the underlying net assets acquired in its investment in KPN.

At December 31, 2012, the Company holds 29.77% of the outstanding shares of KPN.

As discussed in Note 2 b) ii), the Company's policy is to evaluate at each reporting date, whether there is any objective evidence that an investment in associate is impaired. If there is a potential impairment, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the associate and its carrying value and recognizes the impairment loss in its share of profit or loss of the associate in the statement of comprehensive income.

The Company owns 422,559,000 shares of KPN, with a carrying value of Ps. 55.0 billion as of December 31, 2012. KPN's shares are traded on the Amsterdam Stock Exchange, and the closing price for such shares was €3.53 per share at December 31, 2012, equating to a Level 1 fair value of the Company's investment in KPN of Ps. 22.6 billion at December 31, 2012 exchange rates. As of December 31, 2012, the carrying value of the investment in KPN was Ps. 28.0 billion in excess of its Level 1 fair value. The Level 1 fair value of KPN was Ps.19.0 billion as of April 18, 2013. Under IAS 39, either a significant or a prolonged decline of the Level 1 fair value of an equity security below its carrying value is objective evidence of impairment. Impairment is then recognized as the difference between the carrying value of the equity investment and the greater of its Level 1 fair value and the underlying equity investment's value in use.

The Company has performed a value-in-use computation for its equity method investment in KPN as of December 31, 2012. The value-in-use computation was based in-part on KPN's actual financial results for 2012 and financial projections for the years 2013 to 2015. Beyond the three-year period of the KPN projections, free-cash flow was projected by the Company at 2.5% (nominal) to perpetuity. The Company applied a discount rate of 7.6% (nominal) to the projected free cash flows of KPN, which is the estimated weighted average cost of capital. Based on the computation performed, a value in use of the Company's 29.7% ownership interest of Ps.55.9 billion was estimated as of December 31, 2012, thus no impairment charge was required in the Company's 2012 consolidated financial statements.

b) Telekom Austria AG (“Telekom Austria”)

On June 15, 2012, the Company agreed to acquire approximately 21% of the outstanding shares of Telekom Austria AG (“Telekom Austria”) from Marathon Zwei Beteiligungs GmbH, a wholly-owned subsidiary of RPR Privatstiftung, a private trust established by Mr. Ronny Pecik. Under the agreement, the Company acquired 5% of the outstanding shares of Telekom Austria, and the right to acquire additional shares. On September 25, 2012, the Company exercised this right and acquired approximately 16% of the outstanding shares of Telekom Austria, after receiving the required regulatory approvals. As of September 30, 2012, the Company held 22.76% of the outstanding shares of Telekom Austria. The total aggregate costs of the Company’s investment in Telekom Austria is approximately €954 million (Ps.16.4 billion). Telekom Austria provides telecommunications services in Austria, Belarus, Bulgaria, Croatia, Liechtenstein, Macedonia, Serbia and Slovenia.

The Company’s equity method purchase price allocation is preliminary in nature, in that its final determination of the fair value of non-monetary assets has yet to be completed. The Company is currently in the process of making the necessary assessments in order to determine the specific fair value of the underlying net assets acquired in its investment in Telekom Austria.

The Company owns 104,875,874 shares of Telekom Austria, with a carrying value of Ps. 16.8 billion as of December 31, 2012, which equates to a carrying value of Ps. 159.4 per share. Telekom Austria shares are traded on the Vienna Stock Exchange; however, the Company purchased its investment in Telekom Austria’s through a private transaction enabling the Company to obtain the size of the holdings it desired. The Company purchased 21,977,284 shares in June 2012 at Ps. 147.07 per share, which is the same as the trading price per share on the day of that transaction. The Company then purchased its remaining shares in September 2012 at Ps. 160.63 per share, in comparison to a trading price of Ps. 125.28 per share on the day of closing. The Level 1 fair value of the Company’s investment in Telekom Austria is Ps. 10.4 billion as of December 31, 2012, which is Ps. 6.4 billion less than its carrying value. However, the Level 1 trading price of Telekom Austria is relatively consistent with the trading price at the date that the Company exercised its option to obtain significant influence in September 2012. While the computation of the value-in-use of the Company’s investment in Telekom Austria is ongoing, the Company believes that it will recover the carrying value of such investment through its future value-in-use.

c) Other acquisitions 2012

DLA, Inc. (“DLA”)

On January 6, 2012, América Móvil entered into an agreement with Claxson Interactive Group, Inc. , and acquired as of such date 100% of the shares representing the capital stock of DLA, Inc. (“DLA”). The amount paid was Ps.615,927 (US\$ 50 million). DLA is a corporation involved in the development, integration and delivery of entertainment products made for digital distribution in Latin America.

Simple Mobile, Inc.

On June 19, 2012, our subsidiary Tracfone Wireless Inc. acquired 100% of the operations of Simple Mobile Inc. for approximately US\$ 118.0 million (Ps.1,651.7 million). Simple Mobile, Inc. is a mobile virtual network operators (MVNOs) in the United States, with more than 2.5 million customer activations.

d) On September 2012, the Company acquired an equity interest in other Mexican entities for an amount of Ps.379,564.

11. Derivative Financial Instruments

To mitigate the risks of future increases in interest rates for the servicing of its debt, the Company has entered into interest-rate swap contracts in over-the-counter transactions carried out with financial institutions from which the Company has obtained the loans. No collateral is given as security in connection with these transactions. The weighted-average interest rate of the total debt is 4.2%.

An analysis of the derivative financial instruments contracted by the Company at December 31, 2011 and 2012 is as follows:

<u>Instrument</u>	<u>At December 31,</u>			
	<u>2011</u>		<u>2012</u>	
	<u>Notional amount in millions</u>	<u>Fair value in millions</u>	<u>Notional amount in millions</u>	<u>Fair value in millions</u>
Swaps Dollar-Peso	US 2,801	Ps. 8,182	US\$ 1,050	\$ 307
Swaps Euro-Peso	€ 306	454	€ 263	63
Swaps Euro-Dollar			€ 950	79
Swaps Yen-Dollar	¥ 6,900	6		
Swaps Pound-Dollar			£ 650	2,331
Forwards Dollar-Peso	US\$ 3,408	1,133		
Forwards Pound-Peso	25	17		
Forwards Euro-Dollar	90	2		
Total Assets		Ps. 9,794		Ps. 2,780
Interest rate swaps in Pesos	Ps. 9,400	Ps. (851)	Ps. 23,640	\$ (2,495)
Forwards Reales-Dollar	50	(22)	39	(26)
Forwards Dollar-Peso			US\$10,538	(1,827)
Swaps Euro-Dollar	€ 955	(456)		
Swaps Yen-Dollar			¥ 12,000	(252)
Swaps CHF-Euro			270	(76)
Swaps CHF-Dollar	230	(63)	230	(4)
Interest rate swaps in Pesos	\$ 12,840	(1,497)		
Swaps Yen-Dollar			1,000	(10)
Swaps GBP-Euro			£ 1,220	(335)
Total liability		Ps. (2,889)		\$ (5,025)

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2010, 2011 and 2012 amounted to a (loss) gain of Ps.(9,141,976), Ps.10,889,940 and Ps.(5,346,179), respectively, and such amounts are included in the statement of comprehensive income as part of the caption "Valuation of derivatives and other financial items, net".

12. Employee Benefits

a) An analysis of the net liability for employee benefits is as follows:

	<u>At December 31,</u>	
	<u>2011</u>	<u>2012</u>
Mexico	Ps. 113,861	Ps. 114,605
Ecuador	73,351	73,216
Brazil	1,913,544	2,495,027
Puerto Rico	11,214,980	9,652,859
Total	Ps.13,315,736	Ps.12,335,707

The Company's post-retirement obligations for seniority premiums, pension and retirement plans, and medical services in the countries in which it operates and that have defined benefit and defined contribution plans are as follows:

b) Puerto Rico

Pension plan

Pursuant to the provisions of the 1974 Retirement Income Assurance Act ("Acto de Seguridad de Renta de Jubilación de 1974") of the Republic of Puerto Rico, all full time employees in Puerto Rico are entitled to a retirement plan. Contributions to the plan are deductible for income tax purposes.

This pension plan is comprised of two types of payments:

- The annuity or retirement pension to which workers are entitled when they reach a certain number of years of service is computed by applying certain percentages to the number of years of service, taking as a basis the salary of the worker during the last three years of employment, and
- The payment of an amount that ranges from 9 to 12 months of the employee's current salary. The number of months (9 or 12) depends on the number of years of service of the employee.

The following tables show the net benefit cost and liabilities for labor obligations related to the funds and costs associated with these pension and post-retirement plans at December 31, 2011 and 2012:

	At December 31,			
	2011		2012	
	Pensions and sum of benefits	Pensions and sum of benefits	Pensions and sum of benefits	Post-retirement benefits
Projected benefit obligation at beginning of year	Ps. 18,764,099	Ps. 9,276,354	Ps. 22,406,396	Ps. 10,564,264
Service cost	257,771	99,977	196,551	84,986
Financing cost on projected benefit obligation cost	1,104,092	527,196	989,029	374,837
Actuarial loss	1,637,459	677,230	3,327,101	296,506
Other amendments to plans	(122,671)	130,009	3,121	124,178
Payments from trust fund	—	(899,653)	—	(2,902,053)
Benefits paid	(1,714,500)	(472,949)	(1,490,571)	(448,128)
Effect of translation	2,480,146	1,226,100	(1,570,017)	(740,246)
Projected benefit obligation at end of year	Ps. 22,406,396	Ps. 10,564,264	Ps. 23,861,610	Ps. 7,354,344
Projected benefit obligation total (PBO)		Ps. 32,970,660		Ps. 31,215,954
Accumulated benefit obligation (ABO)		Ps. 24,210,778		Ps. 24,640,044
Changes in plan assets:				
Established fund at beginning of year	Ps. 12,786,011	Ps. —	Ps. 14,283,661	
Actual return on plan assets	1,039,071	—	931,650	
Employee contributions	1,205,972	472,949	1,320,525	Ps. 448,128
Benefits paid	(1,704,248)	(472,949)	(1,480,884)	(448,128)
Actuarial loss (gain)	(733,138)	—	(221,591)	
Effect of translation	1,689,993	—	(1,000,849)	
Established fund at end of year	Ps. 14,283,661	Ps. —	Ps. 13,832,512	Ps. —
Plan asset shortfall	Ps. (8,122,735)	Ps.(10,564,264)	Ps.(10,029,098)	Ps. (7,354,344)
Unrecognized actuarial loss, net	7,544,116	1,731,239	10,081,741	1,790,740
Past services and changes in plans	(590,412)	(1,212,924)	(488,442)	(3,653,456)
Total liabilities, net	Ps. (1,169,031)	Ps.(10,045,949)	Ps. (435,799)	Ps. (9,217,060)

Net period cost

An analysis of the net period cost for the years ended December 31, 2010, 2011 and 2012 is as follows:

	2010		2011		2012	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Service cost	Ps. 232,830	Ps. 72,746	Ps. 257,771	Ps. 99,977	Ps. 196,551	Ps. 84,986
Financing cost on projected benefit obligation	989,746	475,600	1,104,092	527,196	989,029	374,837
Actual return on plan assets	(954,922)		(1,039,071)		(931,651)	
Effect of adjustments			50,365		27,940	
Net actuarial loss	99,475	11,504	332,445	65,290	454,516	115,698
Past services and changes in plans	(54,893)	(61,607)	(62,148)	(179,591)	(57,479)	(376,532)
	<u>Ps. 312,236</u>	<u>Ps. 498,243</u>	<u>Ps. 643,454</u>	<u>Ps. 512,872</u>	<u>Ps. 678,906</u>	<u>Ps. 198,989</u>

Actuarial assumptions

The average rates used in determining the net period cost for 2011 and 2012 were as follows:

	<u>2011</u>	<u>2012</u>
Discount rate	5.30%	4.50%
Long-term rate of return	7.25%	7.25%
Rate of future salary increases	4.00%	4.00%

The average rates and other actuarial assumptions used in determining post-retirement obligations for medical services and others are as follows:

	<u>2011</u>	<u>2012</u>
Percentage of increase in health care costs for the coming year	6.50%	6.50%
Cost percentage due to death	4.50%	4.50%
Year to which this level will be maintained	2021	2021

The average rates and other actuarial assumptions used to determine the net period cost of post-retirement obligations are as follows:

	<u>2011</u>	<u>2012</u>
Percentage of increase in health care costs for the following year	6.70%	5.90%
Cost percentage due to death	4.50%	4.50%
Year to which this level will be maintained	2021	2027

The projected return on plan assets is as follows:

	<u>2011</u>	<u>2012</u>
Equity instruments	11.8%	7.50%
Debt instruments	9.60%	9.20%
Cash and cash equivalents	0.1%	0.1%

Plan assets

The percentages invested in plan assets are as follows:

	Post-retirement benefits	
	2011	2012
Equity instruments	14.96%	17.41%
Debt instruments	48.56%	60.59%
Cash and cash equivalents	36.48%	22.00%
	<u>100.00%</u>	<u>100.00%</u>

c) Brazil (Embratel)

Embratel has a defined benefit pension plan (DBP) and a defined contribution plan (DCP) that covers virtually all of its employees, as well as a medical assistance plan (MAP) granted to participants in the DBP. The liabilities recognized at December 31, 2011 and 2012 under such plans are as follows:

	At December 31,	
	2011	2011
DBP and MAP	Ps.1,552,335	Ps. 2,222,145
DCP	361,209	272,882
Total liabilities, net	<u>Ps.1,913,544</u>	<u>Ps. 2,495,027</u>

Pension plan

An analysis of obligations under the DBP and MAP at December 31, 2011 and 2012, as well as the changes in such plans during the years ended December 31, 2011 and 2012, is as follows:

	At December 31,	
	2011	2012
Projected benefit obligation at beginning of year	Ps. 14,796,418	Ps. 14,998,684
Service cost	82	(70)
Financing cost on projected benefit obligation	1,540,995	1,367,191
Actuarial loss (gain)	(290,429)	3,795,899
Payments from trust fund	(1,132,232)	(1,135,167)
Effect of translation	83,850	(2,195,572)
Projected benefit obligation at end of year	<u>Ps. 14,998,684</u>	<u>Ps. 16,830,965</u>
Changes in plan assets:		
Established fund at beginning of year	Ps. 15,606,426	Ps. 16,827,353
Actual return on plan assets	1,714,096	1,595,890
Actuarial gain	379,243	367,384
Employee contributions	171,378	192,067
Payments from trust fund	(1,132,232)	(1,135,167)
Effect of translation	88,442	(2,463,261)
Established fund at end of year	<u>Ps. 16,827,353</u>	<u>Ps. 15,384,266</u>
Plan asset surplus (short-fall)	Ps. 1,828,669	Ps. (1,446,699)
Unrecognized actuarial loss, net	(3,381,004)	(775,446)
Total liabilities, net	<u>Ps. (1,552,335)</u>	<u>Ps. (2,222,145)</u>

Net period cost

An analysis of the net period cost for the years ended December 31, 2010, 2011 and 2012 is as follows:

	2010	At December 31, 2011	2012
Service cost	Ps. 331	Ps. 82	Ps. (70)
Financing cost on projected benefit obligation	1,344,463	1,540,995	1,367,191
Projected return on plan assets	(1,316,704)	(1,714,096)	(49,773)
Amortization of actuarial gains	(97,320)	(216,061)	(228,229)
	<u>Ps. (69,230)</u>	<u>Ps. (389,080)</u>	<u>Ps.1,089,119</u>

Actuarial assumptions

The average rates used in determining the net period cost for 2011 and 2012 were as follows:

	2011	2012
Long-term rate of return	11.42%	9.00%
Rate of future salary increases	4.50%	5.00%
Discount rate	11.09%	9.00%

Plan assets

The percentages invested in plan assets are as follows:

	At December 31, 2011	2012
Debt instruments	91.26%	80.51%
Equity instruments	6.27%	15.56%
Other investments	2.47%	3.93%
	<u>100.00%</u>	<u>100.00%</u>

DCP

Embratel makes contributions to the DCP through Embratel Social Security Fund – Telos. Contributions are computed based on the salaries of the employees, who decide on the percentage of their contributions to the plan (between 3% and 12% of their salaries). Embratel contributes the same percentage as the employee, capped at 8% of the participant's balance. All employees are eligible to participate in this plan.

The unfunded liability represents Embratel's obligation for those participants that migrated from the DBP to the DCP. This liability is being amortized over a term of 20 years as of January 1, 1999. Unpaid balances are adjusted monthly based on the yield of the asset portfolio at that date and is increased based on the General Price Index of Brazil plus 6 percentage points per year. At December 31, 2012, the balance of the DCP liability was Ps.272,882 (Ps.361,209, at December 31, 2011).

d) Mexico (Teléfonos de México)

Pensions and seniority premiums

Telmex has an employee pension and seniority premium plan that covers most of its workers. Pensions and seniority premiums are determined based on the salary of workers in their final year of service, the number of years worked at Telmex and their age at retirement.

Telmex has established an irrevocable trust fund and makes annual contributions to that trust fund, which are considered deductible for purposes of income tax and employee profit sharing. The most important information related to labor obligations is as follows:

Analysis of changes in the defined benefit obligation

	At December 31,	
	2011	2012
Defined benefit obligation at beginning of year	Ps. 216,927,167	Ps. 234,225,230
Service cost	5,036,684	5,050,926
Financing cost on projected benefit obligation	19,418,689	20,497,290
Actuarial loss (gain)	5,025,389	(6,252,256)
Payments to employees	(11,472,579)	(11,419,974)
Payments from trust fund	(710,120)	(2,912,000)
Defined benefit obligation at end of year	<u>Ps. 234,225,230</u>	<u>Ps. 239,189,216</u>

Analysis of changes in plan assets

	At December 31,	
	2011	2012
Established fund at beginning of year	Ps. 180,580,128	Ps. 184,546,619
Projected return on plan assets	21,665,379	22,957,166
Actuarial loss	(16,988,768)	(7,856,902)
Payments from trust fund	(710,120)	(2,912,000)
Established fund at end of year	<u>Ps. 184,546,619</u>	<u>Ps. 196,734,883</u>

Analysis of the pension asset

	2011	2012
Plan assets shortfall for the defined benefit obligation	Ps.(49,678,611)	Ps.(42,454,333)
Unamortized actuarial loss	71,964,612	69,025,695
Past services and changes in plan	41,732	18,027
Pension asset	<u>Ps. 22,327,733</u>	<u>Ps. 26,589,389</u>

Analysis of net period cost for the years ended December 31, 2010, 2011 and 2012 is as follows:

	2010	2011	2012
Service cost	Ps. 4,850,844	Ps. 5,036,684	Ps. 5,050,926
Financing cost on projected benefit obligation	17,751,583	19,418,689	20,497,290
Projected return on plan assets	(19,680,678)	(21,665,379)	(22,957,166)
Amortization of past services and transition liability	23,705	23,705	23,705
Amortization of variances in assumptions	2,418,254	2,621,515	4,543,563
Net period cost	<u>Ps. 5,363,708</u>	<u>Ps. 5,435,214</u>	<u>Ps. 7,158,318</u>

The rates used in the actuarial studies at both December 31, 2011 and 2012 were as follows:

	<u>Nominal rates %</u>
Discount of labor obligations:	
Long-term average	9.2
Salary increase:	
Long-term average	4.5

	<u>Post-retirement mortality for pensioners more than 65 years old</u>	
	<u>2011</u>	<u>2012</u>
Pension plan:		
Men	1.94%	1.94%
Women	1.94%	1.94%

Plan assets

The percentages invested in plan assets at December 31, 2011 and 2012 are as follows:

	<u>2011</u>	<u>2012</u>
Debt instruments	49.6	48.5
Equity instruments	<u>50.4</u>	<u>51.5</u>
	<u>100.0</u>	<u>100.0</u>

As of December 31, 2012, the fair value of Telmex's debt securities held by the plan assets was Ps. 886,907 (Ps. 989,063 at December 31, 2011). Also, the plan assets of Telmex include 30.4% and 28.2% of securities of the Company and other related parties at December 31, 2012 and 2011, respectively. The purchases and sales of these securities made by the plan were at market value.

e) In the case of Mexico (Telcel) and Ecuador, the net period cost of other benefits for the years ended December 31, 2010, 2011 and 2012 was Ps.46,447, Ps.57,965 and Ps.86,870, respectively, for Mexico, and Ps.8,706, Ps.12,095 and Ps.2,602, respectively, for Ecuador.

f) For the rest of the countries where the Company operates and that do not have defined benefit plans or defined contribution plans, the Company makes contributions to the respective governmental social security agencies, which are recognized in results of operations as they are incurred.

13. Accounts Payable and Accrued Liabilities

a) An analysis of the caption Accounts payable and accrued liabilities is as follows:

	At December 31,	
	2011	2012
Suppliers	Ps. 92,484,803	Ps. 91,793,858
Sundry creditors	37,982,974	38,463,598
Interest payable	6,242,819	6,001,435
Accrued expenses and other provisions	37,156,996	41,182,768
Guarantee deposits	1,753,530	2,031,944
Dividends payable	3,119,333	4,582,477
Total	<u>Ps.178,740,455</u>	<u>Ps.184,056,080</u>

b) An analysis of accrued expenses and other provisions at December 31, 2011 and 2012 is as follows:

	Balance at December 31, 2010	Effect of translation	Increase of the year	Applications		Balance at December 31, 2011
				Payments	Reversals	
Direct employee benefits payable	Ps. 8,752,153	Ps. 75,425	Ps. 10,195,237	Ps. (10,764,332)	Ps. (64,395)	Ps. 8,194,088
Asset retirement obligations	4,681,409	79,891	1,661,841	(29,960)	(5,952)	6,387,229
Contingencies	18,100,789	266,616	5,034,512	(819,307)	(6,931)	22,575,679
	<u>Ps.31,534,351</u>	<u>Ps. 421,932</u>	<u>Ps.16,891,590</u>	<u>Ps.(11,613,599)</u>	<u>Ps. (77,278)</u>	<u>Ps.37,156,996</u>
	Balance at December 31, 2011	Effect of translation	Increase of the year	Payments	Reversals	Balance at December 31, 2012
Direct employee benefits payable	Ps. 8,194,088	Ps. (281,748)	Ps. 8,771,195	Ps. (6,811,990)	Ps. (67,231)	Ps. 9,804,314
Asset retirement obligations	6,387,229	(537,848)	1,428,729	(92,921)	(7,974)	7,177,215
Contingencies	22,575,679	(2,512,084)	5,227,068	(1,029,693)	(59,731)	24,201,239
	<u>Ps.37,156,996</u>	<u>Ps.(3,331,680)</u>	<u>Ps.15,426,992</u>	<u>Ps. (7,934,604)</u>	<u>Ps.(134,936)</u>	<u>Ps.41,182,768</u>

14. Other Financial Assets and Liabilities

Fair value hierarchy

At December 31, 2011 and 2012, América Móvil had the following financial instruments measured at fair value shown in the statement of financial position.

The Company's valuation techniques used to determine and disclose the fair value of its financial instruments are based on the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Variables other than quoted prices in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

Level 3: Variables used for the asset or liability that are not based on any observable market data (non-observable variables).

Measurement of fair value at December 31, 2011				
	Level 1	Level 2	Level 3	Total
Assets:				
Derivatives	—	Ps. 9,793,836	—	Ps. 9,793,836
Pension plan assets	Ps. 215,657,633	—	—	215,657,633
Total	Ps. 215,657,633	Ps. 9,793,836	—	Ps. 225,451,469
Liabilities:				
Debt	Ps. 390,859,513	Ps. 22,879,282	—	Ps. 413,738,795
Derivatives	—	2,889,281	—	2,889,281
Total	Ps. 390,859,513	Ps. 25,768,563	—	Ps. 416,628,076
Measurement of fair value at December 31, 2012				
	Level 1	Level 2	Level 3	Total
Assets:				
Derivatives	—	Ps. 2,779,749	—	Ps. 2,779,749
Pension plan assets	Ps. 225,951,661	—	—	225,951,661
Total	Ps. 225,951,661	Ps. 2,779,749	—	Ps. 228,731,410
Liabilities:				
Debt	Ps. 326,614,401	Ps. 143,258,386	—	Ps. 469,872,787
Derivatives	—	5,025,047	—	5,025,047
Total	Ps. 326,614,401	Ps. 148,283,433	—	Ps. 474,897,834

For the years ended December 31, 2011 and 2012, no transfers were made between Level 1 and Level 2 fair value measurement techniques.

15. Deferred Revenues

An analysis of deferred revenues at December 31, 2010, 2011 and 2012 is as follows:

	<u>2010</u>	<u>At December 31, 2011</u>	<u>2012</u>
At January 1	Ps. 28,937,442	Ps. 29,054,414	Ps. 29,424,475
Increase during the year	242,834,356	305,334,487	192,873,749
Recognized as revenues	(242,258,878)	(306,309,173)	(192,437,676)
NET consolidation			(3,099,829)
Effect of translation	(458,506)	1,344,747	(1,703,585)
	<u>29,054,414</u>	<u>Ps. 29,424,475</u>	<u>Ps. 25,057,134</u>
Short-term	Ps. 25,064,230	Ps. 26,248,679	23,956,939
Long-term	3,990,184	3,175,796	1,100,195
	<u>Ps. 29,054,414</u>	<u>Ps. 29,424,475</u>	<u>Ps. 25,057,134</u>

Deferred revenues consist of revenues obtained for services that will be provided to customers within a certain period. Deferred revenues are recognized in the statement of comprehensive income when they are earned.

16. Debt

The Company's short- and long-term debt consists of the following:

<u>Currency</u>	<u>Loan</u>	<u>At December 31, 2012</u>	
		<u>Rate</u>	<u>Maturity from 2012 to</u>
			<u>Total</u>
<i>U.S. dollars</i>	ECA credits (fixed rate)	2.52%	2017
	ECA credits (floating rate)	L + 0.35%, L + 0.50% and L + 0.75%	2018
	Fixed-rate notes	2.375% - 8.57%	2042
	Lines of credit	6.5% and 9.26%	2019
	Leases	3.75%	2015
	Subtotal U.S. dollars		<u>Ps. 204,526,902</u>
<i>Euros</i>	Fixed rate notes	3.0%, 3.75%, 4.125% and 4.75%	2022
	Subtotal Euros		<u>64,365,844</u>
<i>Mexican pesos</i>	Fixed-rate notes	4.10% - 9.00%	2037
	Floating rate notes	Cetes + 0.55% & THIE + 0.40% - 1.50%	2016
	Subtotal Mexican pesos		<u>56,613,388</u> <u>22,600,000</u> <u>79,213,388</u>
<i>Reais</i>	Fixed-rate notes	4.50%	2018
	Floating rate notes	IPCA + 0.50%	2021
	Subtotal Brazilian reais		<u>1,920,311</u> <u>343,795</u> <u>2,264,106</u>
<i>Colombian pesos</i>	Bonds	IPC + 6.80% & 7.59%	2016
	Subtotal Colombian pesos		<u>4,561,772</u> <u>4,561,772</u>

At December 31, 2012				
Currency	Loan	Rate	Maturity from 2012 to	Total
<i>Other currencies</i>				
	Bonds	1.125% - 5.75%	2041	62,250,027
	Leases	4.35% - 8.97%	2027	246,188
	Lines of credit	19.00% and 19.45%	2014	241,861
	Subtotal other currencies			<u>62,738,076</u>
	Total debt			<u>417,670,088</u>
	Less: Short-term debt and current portion of long - term debt			<u>13,621,806</u>
	Long-term debt			<u><u>Ps.404,048,282</u></u>
At December 31, 2011				
Currency	Loan	Rate	Maturity from 2012 to	Total
<i>U.S. dollars</i>				
	ECA credits (fixed rate)	2.52%	2017	Ps.1,636,312
	ECA credits (floating rate)	L + 0.30%, L + 0.35%, L + 0.50% and L + 0.75%	2018	6,780,181
	Fixed-rate notes	2.375% - 6.375%	2040	167,854,707
	Lines of credit	L + 0.25% L + 0.325% L + 0.35%	2014	14,015,863
	Subtotal U.S. dollars			<u>190,287,063</u>
<i>Euros</i>				
	ECA credits (fixed rate)	2.00%	2022	177,004
	Fixed-rate notes	3.75%, 4.125% and 4.75%	2022	49,865,633
	Subtotal Euros			<u>50,042,637</u>
<i>Mexican pesos</i>				
	Lines of credit	THIE + 0.60%	2012	55,000
	Fixed-rate notes	4.10% - 10.20%	2037	41,680,565
	Floating-rate notes	Cetes + 0.55% & THIE + -0.10% - 1.50%	2016	32,600,000
	Subtotal Mexican pesos			<u>74,335,565</u>
<i>Reais</i>				
	Lines of credit	4.50%, 8.78% y 9.20%, IPCA + 0.50% & TJLP + 4.5%	2021	2,707,482
	Subtotal Brazilian reais			<u>2,707,482</u>
<i>Colombian pesos</i>				
	Bonds	IPC + 6.8% & 7.59%	2016	4,464,945
	Subtotal Colombian pesos			<u>4,464,945</u>
<i>Other currencies</i>				
	Bonds	1.23% - 6.41%	2039	43,066,551
	Leases	2.75% - 8.97%	2027	527,535
	Lines of credit	L + 0.33%, TAB + 0.40% and 0.425%, Badlar Rate & 10.00% - 19.45%	2014	15,187,024
	Subtotal other currencies			<u>58,781,110</u>
	Total debt			<u>380,618,802</u>
	Less: Short-term debt and current portion of long - term debt			<u>26,643,315</u>
	Long-term debt			<u><u>Ps.353,975,487</u></u>

Legend:

Badlar Rate = Interest rate paid in Argentina on fixed-term deposits of more than one million Argentinean pesos

Cetes = Mexican Treasury Certificates

ECA = Export Credit Agreement

IPCA = Brazil's consumer price index.

IPC = Consumer Price Index

L = LIBOR or London Interbank Offered Rate

TAB = Bankers and Financial Institutions Association Rate

TIIE = Mexican Weighted Interbank Interest Rate

TJLP = Long-term Interest Rate

Except for the fixed-rate senior notes, interest rates on the Company's debt are subject to variances in international and local rates. The Company's weighted-average cost of borrowed funds at December 31, 2012 and 2011 was approximately 5.0%.

Such rate does not include commissions or the reimbursements for Mexican tax withholdings (typically a tax rate of 4.9%) 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, 2011 and 2012 is as follows:

	2011	2012
Senior notes	Ps. 648,424	Ps. 1,250,808
Domestic senior notes	10,300,000	9,517,467
Lines of credit used	9,568,760	331,820
Other	200,710	151,807
Total	<u>Ps.20,717,894</u>	<u>Ps.11,251,902</u>
Weighted-average interest rate	<u>5.1%</u>	<u>6.5%</u>

An analysis of maturities of the Company's long-term debt is as follows:

<u>Year</u>	<u>Amount</u>
2014	Ps. 25,028,845
2015	38,145,822
2016	42,849,482
2017	31,730,642
2018	8,399,445
2019 and thereafter	257,894,046
Total	<u>Ps.404,048,282</u>

Senior Notes—At December 31, 2012 and 2011, the Company has senior notes issued in U.S. dollars of US\$ 15,098 million and US\$ 11,998 million, respectively (Ps.196,425 million and Ps.167,855 million, respectively) maturing from 2014 to 2042. As of December 31, 2012 and 2011 the Company also had senior notes issued in Mexican pesos of Ps.79,213 million and Ps.74,281, respectively, maturing in 2013 and 2037.

In 2012, América Móvil issued seven new senior notes as follows: US\$ 1,600 million and US\$ 1,150 million; 250 million Swiss francs, € 1,000 million Euros, Ps.15,000 million, 1,000 million Chinese yuan and £750 million pounds sterling.

Lines of credit granted or guaranteed by export credit agencies—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 equipment for export from their respective countries. The outstanding balance under these plans at December 31, 2012 and 2011 is approximately Ps.6,213 million and Ps.8,593 million, respectively.

Domestic notes

At December 31, 2012 and 2011, debt under domestic notes aggregates to Ps.46,842 million and Ps.56,909 millions, respectively. In general, these issuances bear a fixed or floating interest rate established as a percentage of the Mexican weighted interbank interest rate (TIIE), Cetes and IDC.

In addition to the above, the Company has two commercial paper programs authorized by the Mexican Banking and Securities Commission (CNBV) for a total amount of Ps.20,000 million.

Early payment of debt

In 2012 and 2011, the Company made payments and advance payments against its debt with third parties of approximately Ps.23 billion and Ps.23 billion, respectively.

Contractual Restrictions

The Company and certain subsidiaries, including Telcel and Telmex, are subject to restrictive covenants under bank debt and bond debt. These covenants restrict pledges of assets, restrict mergers of a particular obligor or the sale of all or substantially all its assets, and restrict AMX from selling control over Telcel. They also require the maintenance of specified financial ratios. The more restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA (earnings before interest, tax, depreciation and amortization) that does not exceed 4 to 1, and a consolidated ratio of EBITDA to interest paid that is not below 2.5 to 1 (as defined in the agreements). Under certain instruments Telcel is subject to similar ratios and covenants. Also, Telmex Internacional is subject to financial covenants requiring it to maintain a ratio of debt to EBITDA that does not exceed 3.5 to 1, and a consolidated ratio of EBITDA to interest paid of not less than 3 to 1 (as defined in the agreements).

As of December 31, 2012 and 2011, the Company is in compliance with these restrictions.

Such covenants do not restrict the ability of AMX's subsidiaries to pay dividends or other payment distributions to AMX.

Part of the debt is also subject to acceleration, early extinguishment or repurchase at the option of the holders in the event of a change of control, as defined in the respective instruments.

At December 31, 2012, approximately 58% of América Móvil's total outstanding consolidated debt was guaranteed by Telcel.

17. Commitments and Contingencies

a) Leases

At December 31, 2010 and 2011, the Company has entered into several lease agreements with related parties and third parties for the buildings where its offices are located (as a lessee), as well as with the owners of premises where the Company has installed radio bases. The lease agreements generally have terms from one to fourteen years.

An analysis of the minimum rental payments for the next five years is shown below. In some cases, rental amounts are increased each year based on the National Consumer Price Index.

At December 31, 2012, the Company has the following non-cancelable commitments under finance and operating leases:

<u>Year ended December 31</u>	<u>Finance leases</u>	<u>Operating leases</u>
2013	Ps.221,580	Ps.15,954,720
2014	154,516	8,322,118
2015	127,019	8,888,300
2016	32,557	7,327,541
2017	32,557	7,001,248
2018 and thereafter	95,680	28,617,979
Total	663,909	Ps.76,111,906
Less: interest	83,749	
Present value of net minimum lease payments	580,160	
Less current portion	205,873	
Long-term obligations	Ps.374,287	

Rent expense for the years ended December 31, 2010, 2011 and 2012 was Ps.8,318,926, Ps.11,658,034 and Ps.14,800,464, respectively.

b) Commitments

At December 31, 2012, there were commitments in certain subsidiaries for the acquisition of equipment for incorporation into their GSM, 3G and 4G networks for an amount up to approximately US\$ 2,341 million (approximately Ps. 30,461 million). The estimated completion period for these projects in progress ranges from 3 to 6 months, depending on the type of project and the equipment supplier, as well as the type of asset.

c) Contingencies

Telcel

COFECO—Monopolistic practices investigations

Telcel is the target of three Federal Antitrust Commission (*Comisión Federal de Competencia*, or “COFECO”) investigations into alleged monopolistic practices. The first two concern alleged actions by Telcel and certain of its distributors in relation to the purchase and sale of cellular phones from and to third parties. COFECO determined that Telcel engaged in anti-competitive behavior, and the agency imposed fines totaling Ps. 6.7 million and ordered that Telcel cease the alleged monopolistic practices immediately. Telcel has challenged COFECO’s findings and fines in the courts. No final ruling has been issued in connection with the first investigation. In the second investigation, a judicial decision ordered COFECO to issue a new resolution considering expert opinions not originally taken into account. COFECO issued a resolution revoking the fine and withdrawing the investigation. The Company has not established a provision in the accompanying financial statements for loss arising from these contingencies.

The third investigation concerns alleged monopolistic practices in the mobile termination (interconnection) market. In April 2011, COFECO imposed a fine of Ps. 11,989 million against Telcel for alleged monopolistic practices that according to COFECO also constituted a repeat offense. COFECO alleges that some of the rates Telcel offers its own callers are lower than the mobile termination rate Telcel charges other carriers, which prevents said carriers from being able to provide similar pricing to their customers. Telcel, which disputes the conclusion that its pricing practices were monopolistic and the determination that there was a repeat offense, submitted a petition for reconsideration (*recurso de reconsideración*) to COFECO seeking review of COFECO’s

ruling. In May 2012, Telcel was notified of a resolution issued by COFECO that revoked the fine. As a condition to the revocation of the fine, Telcel agreed to comply with certain undertakings that it proposed to COFECO in March 2012. Certain operators challenged COFECO's ruling revoking Telcel's fine. As of this date of these financial statements, none of the challenges has been successful in courts.

As part of the undertakings agreed upon with COFECO, Telcel issued terms of reference governing interconnection with its network, including mobile termination rates for the period from 2011 to 2014. Such terms are available for all operators terminating calls in Telcel's network.

COFECO will oversee compliance by Telcel with the agreed undertakings and, upon any breach by Telcel, COFECO may impose a fine of up to 8% of Telcel's annual revenues. As of this date, Telcel is in full compliance with the agreed undertakings.

Mobile termination rates

Mobile termination rates for the years 2005 through 2010 between Telcel and affiliated operators Axtel and Avantel were the subject of a number of legal proceedings. The Supreme Court of Justice (Suprema Corte de Justicia de la Nación) addressed these disputes in a series of rulings during 2012 and early 2013, which generally (i) determined that the Mexican Ministry of Communications and Transportation (Secretaría de Comunicaciones y Transportes) does not have authority to resolve disputes over mobile termination rates, (ii) confirmed that the Federal Telecommunications Commission (Comisión Federal de Telecomunicaciones, or "COFETEL") has authority to determine mobile termination rates based on its own cost models, (iii) for certain periods (2005-2007), confirmed the rates established by COFETEL, and (iv) for other periods (2008-2010), required COFETEL to reissue resolutions determining mobile termination rates between the parties. As of the date of these financial statements, COFETEL's resolutions are still pending.

Several mobile operators began proceedings with COFETEL (*desacuerdos de interconexión*) to establish applicable mobile termination rates and other interconnection conditions for the years 2011 to 2013. COFETEL has determined rates for 2011, but as of the date of these financial statements has not determined rates for 2012 and 2013.

Reduction in mobile termination rates and any potential disparity between the mobile termination rates made available by Telcel to other operators and the rates to be established by COFETEL for the years 2012 to 2013 may give rise to contractual claims among Telcel and other operators for reimbursement or payment, as the case may be, of amounts paid or owed between Telcel and such operators. The Company expects that mobile termination rates will continue to be the subject of litigation and administrative proceedings. The Company cannot predict when or how these matters will be resolved. The competitive and financial effects of any resolution could be complex and difficult to predict, although they could materially reduce Telcel's mobile termination revenues.

AMX has established provisions in the accompanying financial statements for the losses AMX considers probable and estimable for approximately Ps. 2,500 million, but the Company cannot estimate the amount of possible loss.

Short Message Services (SMS)—Royalties

The Mexican Tax Administration Service ("SAT"), notified Telcel of tax assessments totaling Ps. 320 million alleging nonpayment of royalties for revenues generated by short message services during 2004 and 2005. SAT is alleging that Telcel owes such amounts because short message services constitute concessioned services. AMX has challenged the assessments on the grounds that short message services are value-added services that are not concessioned services. In other 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 and are therefore

concessed services. Telcel is also currently disputing these rulings in an administrative proceeding. AMX has established a provision in the accompanying financial statements for the loss arising from these contingencies that the Company considers probable.

Trademarks Tax Assessments

In 2006 and 2007, the SAT notified Telcel and the Company of assessments related to the deduction in 2003 of certain trademark payments, which the SAT asserted should have been taken over the course of several years and not in a single year. AMX challenged each of the two assessments in federal tax courts. These claims were settled in April 2013.

In December 2007, the SAT notified Telcel of an assessment of Ps. 453.6 million (Ps. 243.6 million plus adjustments, fines and late fees), in connection with a deduction of certain advertising expenses in 2004. The SAT took the position that the payments of advertising expenses were not deductible because Telcel also paid royalties relating to the same trademarks. In July 2011, the SAT notified the Company of an assessment of Ps. 773.0 million (Ps. 292 million plus adjustments, fines and late fees), related to the same payments described in the December 2007 assessment above. Under the consolidation regime applicable in Mexico at the time, Telcel was permitted to take up to 40% of the deduction, while the parent company was permitted to take the remaining 60%. This July 2011 assessment relates to the Company's portion of the deduction. AMX challenged each of the two assessments relating to 2004 in federal tax courts, and such challenges are still pending.

Based on the above, the Company and Telcel expect the SAT to challenge deductions taken in other years related to the payment of royalties associated with the trademarks.

The Company has not established a provision in the accompanying financial statements for loss arising from these contingencies.

Class Actions

The Federal Consumer Bureau (*Procuraduría Federal del Consumidor*, or "Profeco") filed a class action in Mexican courts on behalf of customers who filed complaints before it alleging deficiencies in the quality of Telcel's network in 2010 and breach of customer agreements. If the action is resolved in favor of Profeco, Telcel's customers would be entitled to compensation for damages.

Beginning in 2012, Mexican Law provides for class actions seeking compensation. These class actions may arise from antitrust, consumer, data and privacy protection issues, as well as administrative, criminal and environmental violations, and may be filed by the competent authorities or the affected groups.

Four class actions have been initiated against Telcel. Two of them relate to quality of service and were filed by consumers. A third was also filed by consumers and relates to quality of service, but in addition compares wireless voice, data and broadband international rates claiming that rates offered by Telcel are higher than international comparable rates. The last one was filed by Profeco and relates to a network technical malfunction that occurred in January 2013.

The Company currently does not have enough information to determine whether these class actions could have an adverse effect on our business and results of operations if they are resolved against us. Consequently, Telcel has not established a provision in the accompanying financial statements for loss arising from these contingencies.

Carso Global Telecom

In November 2010, the SAT notified Carso Global Telecom, S.A. de C.V. ("CGT"), of an assessment of Ps. 3,392 million related to the change in the scope of fiscal consolidation in 2005. The SAT alleges that this

change generated a reduction in the participation of CGT in its subsidiaries, resulting in increased income taxes. CGT has challenged this assessment in federal tax courts, and this challenge is still pending. AMX has not established a provision in the accompanying financial statements for loss arising from this contingency.

Sercotel

In August 2011, the SAT notified Sercotel, S.A. de C.V. (“Sercotel”), of an assessment of Ps. 6,308 million related to withholding taxes, interest payments and certain income that the SAT contends should have been reported at Sercotel in 2005. Sercotel paid Ps. 118 million related to withholding taxes and interest payments and challenged the portion of the assessment related to the income reporting in an administrative appeal with the tax authority. The challenge is still pending.

In March 2012, the SAT notified Sercotel and the Company of a fine of approximately Ps. 1,400 million because of the SAT’s objection to the allegedly improper tax implications of the transfer of certain accounts receivable from one of the Company’s subsidiaries to Sercotel. AMX challenged the fine by filing an administrative appeal with the tax authority which is still pending. The Company also expects the SAT will issue tax assessments of Ps. 2,750 million relating to the same matter.

In December 2012, the SAT notified Sercotel of an assessment of Ps. 4,824 million related to income that the SAT contends should have been reported at Sercotel in 2006. Sercotel challenged the assessment related to the taxability in an administrative appeal with the tax authority. The challenge is still pending.

The Company has not established a provision in the accompanying financial statements for loss arising from these contingencies.

Telmex

COFECO—Monopolistic practices investigations

Telmex and Teléfonos del Noroeste, S.A. de C.V. (“Telnor”) are the target of two COFECO investigations into alleged monopolistic practices. In the first investigation, COFECO determined that Telmex and Telnor engaged in monopolistic practices in the fixed-network interconnection services market. Telmex and Telnor filed relief (*amparo*) proceedings against this ruling and their cases are pending resolution. In the second investigation, in February 2013 COFECO determined that Telmex and Telnor engaged in monopolistic practices in the wholesale market for dedicated-link leasing (local and domestic long-distance) imposing a fine of Ps. 657.4 million. Telmex and Telnor challenged said resolution and their cases are pending.

AMX cannot predict when or how these investigations will be resolved. The competitive and financial effects of any final findings by COFECO could be complex and difficult to predict. They may include monetary fines or additional regulations or restrictions that may limit our flexibility and our ability to adopt competitive market policies, any of which could materially reduce Telmex and Telnor’s revenues in future periods.

AMX has not established a provision in the accompanying financial statements for loss arising from these contingencies.

Claro Brasil and Americel

Anatel Inflation-Related Adjustments

The Brazilian National Telecommunications Agency (*Agência Nacional de Telecomunicações* or “Anatel”), challenged the calculation of inflation-related adjustments due under the agreements it had with Tess, S.A. (“Tess”), and ATL-Telecom Leste, S.A. (“ATL”), two of our Brazilian subsidiaries that were merged with and into Claro Brasil, S.A. (“Claro Brasil”), which assumed their rights and obligations.

Under the agreements with Anatel, 40% of the concession price was due upon execution and 60% was due in three equal annual installments (subject to inflation-related adjustments and interest), beginning in 1999. The companies made all payments, but Anatel challenged the companies' calculation of the inflation-related adjustments related to the payment corresponding to 60% of the concession price, alleging that such calculation resulted in a shortfall, and requesting payment. The amount of this shortfall and the method used to calculate monetary correction are subject to judicial disputes.

The companies filed declaratory and consignment actions seeking resolution of the disputes. The court of first instance ruled against ATL's declaratory suit in October 2001 and ATL's consignment action in September 2002. Subsequently, ATL filed appeals, which are still pending. Similarly, the court of first instance ruled against Tess' consignment action in June 2003 and against Tess' filing for declaratory action in February 2009. Tess also filed an appeal, which is still pending.

In December 2008, Anatel charged Tess approximately Ps. 1,713 million (approximately R\$269 million). Tess obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved. Similarly, in March 2009, Anatel charged ATL approximately Ps. 1,216 million (approximately R\$191 million). ATL also obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved.

The Company calculated the amount of the shortfall based on a specific method and certain assumptions. If other methods or assumptions are used, the amount of damages may increase. In December 2012, Anatel calculated monetary correction in a total amount of Ps. 8,913 million (approximately R\$1,400 million).

The Company has established a provision of Ps. 3,572 million (approximately R\$561 million), in the accompanying financial statements for loss arising from these contingencies, which AMX considers probable.

BNDESPar

In November 2004, BNDESPar filed a lawsuit with the competent court in Rio de Janeiro asserting certain claims from its investment in certain of our subsidiaries in Brazil for approximately Ps. 1,738 million (approximately R\$273 million). In December 2012, as part of the arrangements for the acquisition by Claro Brasil of BNDESPAR shares in Claro Brasil and one of its subsidiaries, the parties entered into a settlement agreement over their dispute and the case was then dismissed.

Consumer Protection Lawsuit (DPDC)

In July 2009, the Brazilian Federal and State Prosecutor Office, along with the Consumer Protection and Defense Agency and other Brazilian consumer protection agencies, initiated a lawsuit against Claro Brasil alleging that it has violated certain regulations governing the provision of telecommunications services. The amount claimed by the plaintiffs is Ps. 1,910 million (approximately R\$300 million). Claro Brasil is contesting the lawsuit and a final ruling is still pending.

The Company has not established a provision in the accompanying financial statements to cover loss arising from this contingency, which the Company does not consider probable.

Tax assessments against Americhel and Claro Brasil (PIS/COFINS)

In December 2005, the Brazilian Federal Revenue Service issued tax assessments against Claro Brasil and Americhel in respect of PIS (*Programa de Integração Social*) and COFINS (*Contribuição para o Financiamento da Seguridade Social*) taxes (which are levied on gross revenue), for 2000 through 2005. In addition, in March 2006, the Brazilian Federal Revenue Service issued tax assessments against ATL related to certain tax deductions taken by ATL in connection with its PIS and COFINS obligations. As discussed above, Claro Brasil is the corporate successor to ATL.

In January 2011, the Brazilian Federal Revenue Service issued tax assessments against Claro Brasil regarding allegedly improper offsetting of certain tax deductions claimed by Claro Brasil in connection with its PIS and COFINS obligations. The total amount of these tax assessments, which Americhel and Claro Brasil are contesting in pending challenges, was Ps. 9,709 million (approximately R\$1,525 million), including fines and interest as of December 31, 2012. The Company has established a provision of Ps. 191 million (approximately R\$30 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Separately, Claro Brasil and Americhel have commenced lawsuits against the Brazilian Federal Revenue Service seeking a ruling on constitutional grounds that they may exclude state value added tax (ICMS) payments and interconnection fees from the base used to calculate PIS and COFINS tax obligations. Pending a final ruling and pursuant to applicable Brazilian procedure, the Company paid tax based on its position in the lawsuit, and established a provision for the disputed amounts. The total amount in dispute was approximately Ps. 8,448 million (approximately R\$1,327 million).

ICMS Tax Credits

The Brazilian Federal Revenue Service has issued multiple tax assessments against Claro Brasil and Americhel alleging that they improperly claimed certain tax credits under the state value added tax (*Imposto sobre Operações relativas à Circulação de Mercadorias e sobre Prestações de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação* or “ICMS”) regime in each Brazilian state. The Company is contesting all these tax assessments in multiple separate proceedings, first at the administrative level and then in the judicial courts, and these proceedings are at various stages. AMX has received rulings in some of these cases, including some that are unfavorable to us and that the Company has appealed. The total amount of the tax assessments is approximately Ps. 22,652 million (approximately R\$3,558 million), including fines and interest as of December 31, 2012. The Company has established a provision of Ps. 1,955 million (approximately R\$307 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Tax Credit for Income Tax Withheld Abroad

The Brazilian Federal Revenue Service issued tax assessments in the amount of Ps. 2,209 million (approximately R\$347 million), against Claro Brasil alleging that it incorrectly offset tax withheld in other countries against some of its Brazilian tax obligations. During 2011, Claro Brasil terminated its challenge with respect to Ps. 1,573 million (approximately R\$247 million), in tax assessments and paid those amounts to the Brazilian Federal Revenue Service, to preserve the right to offset the foreign tax withheld related to such tax assessments against its Brazilian tax obligations in future years. The total amount of the tax assessments that Claro Brasil is contesting as of December 31, 2012 is approximately Ps. 668 million (approximately R\$105 million). The Company has not made a provision in the accompanying financial statements to cover loss arising from this contingency.

EBC Funding

Claro Brasil and Americhel filed an injunction challenging a federal law that created the Brazilian Communication Company (*Empresa Brasileira de Comunicação* or “EBC”) that is to be partially funded by mobile operators. If Claro Brasil and Americhel are unsuccessful in such challenge, the total amount they would be required to contribute to EBC through December 31, 2012 is approximately Ps. 2,005 million (approximately R\$315 million). AMX made a judicial deposit in this amount. The Company has established a provision of Ps. 2,012 million (approximately R\$316 million), in the accompanying financial statements for loss arising from this contingency, which AMX considers probable.

FUST and FUNTTEL Funding

Anatel has issued tax assessments against Claro Brasil and Americel totaling Ps. 6,462 million (approximately R\$1,015 million), relating to alleged underpayment of their funding obligations for the Telecommunications System Universalization Fund (*Fundo de Universalização dos Serviços de Telecomunicações* or “FUST”) and the Telecom Technologic Development Fund (*Fundo para o Desenvolvimento Tecnológico das Telecomunicações* or “FUNTTEL”) from 2006 to 2010. The assessments claim that interconnection and activation fee revenues should not have been excluded from the basis used to calculate funding obligations. Claro Brasil and Americel have challenged the tax assessments, and the challenges are still pending. The Company has established a provision of Ps. 293 million (approximately R\$46 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

TFI—Installation Inspection Fee

Anatel charged Claro Brasil and Americel the amount of Ps. 4,692 million (approximately R\$737 million) as of December 31, 2012, related to the installation inspection fee (*Taxa de Fiscalização de Instalação* or “TFI”) allegedly due for the renewal of radio base stations and handsets. Claro Brasil and Americel have challenged the amount charged, arguing that there was no new equipment installation that could lead to this charge, and the challenges are still pending. AMX has not established a provision in the accompanying financial statements and does not consider any loss to be probable.

Other tax contingencies

Claro Brasil and Americel have other on-going tax litigations in the total amount of Ps. 2,273 million (approximately R\$357 million) as of December 31, 2012, regarding Brazilian Services Tax (Imposto sobre Serviços or “ISS”), Brazilian Economic Intervention Contribution (Contribuição de Intervenção no Domínio Econômico or “CIDE”), Provisional Contribution on Financial Transfers (Contribuição Provisória sobre Movimentação ou Transmissão de Valores e de Créditos e Direitos de Natureza Financeira or “CPMF”), Financial Operations Tax (Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários or “IOF”), income tax (Imposto da Renda or “IR”), social contribution on net income (Contribuição Social sobre o Lucro Líquido or “CSLL”), public price concerning the administration of numbering resources (Preço Público Relativo à Administração dos Recursos de Numeração or “PPNUM”) and import tax (Imposto de Importação or “II”). The Company has established a provision of Ps. 57 million (approximately R\$9 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Other civil and labor contingencies

Claro Brasil and its subsidiaries are also party to other claims in the amount of Ps. 7,506 million (approximately R\$1,179 million), including claims filed by its telephone service customers and claims relating to environmental matters. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps. 176 million (approximately R\$26 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Claro Brasil and its subsidiaries are party to labor claims in the amount of Ps. 3,342 million (approximately R\$525 million), filed by its current and former employees, alleging compensation for pension and other social benefits, overtime work, outsourcing and equal pay. The Company has established a provision of Ps. 331 million (approximately R\$49 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Disputes with third parties

Claro Brasil and Americel are parties to certain disputes with third parties in connection with former sales agents, class actions (ACP's), real estate issues, and other matters in the aggregate amount of Ps. 2,986 million (approximately R\$469 million). The Company has established a provision of Ps. 57 million (approximately R\$9 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Embrapar and subsidiaries

Implementation of the new national domestic telephone number system

As a result of alleged service disruptions caused during the implementation of a new domestic dialing system in 1999, Embratel was fined by Anatel and DPDC, and several class actions were initiated against it. The aggregate total amount of these contingencies is Ps. 1,070 million (approximately R\$168 million). The Company is contesting these claims and has established a provision of Ps. 197 million (approximately R\$31 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Administrative proceedings (PADOs)

Anatel filed several administrative proceedings (*Procedimentos Administrativos de Descumprimento de Obrigação* or "PADOs"), against Embratel and Embrapar in the amount of Ps. 4,889 million (approximately R\$768 million), because of alleged noncompliance with quality targets set by Anatel. The Company is contesting the PADOs on various grounds. The Company has established a provision of Ps. 64 million (approximately R\$10 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Brazilian value-added goods and services tax (ICMS)

Embratel, Primesys Soluções Empresariais S.A. ("Primesys"), TV SAT and Telmex Do Brasil Ltda. ("TdB") received assessments in the amount of Ps. 5,373 million (approximately R\$844 million), from the tax authorities related to nonpayment of ICMS and alleged ICMS tax credits incorrectly taken. The Company is contesting these tax assessments in multiple separate proceedings at the administrative level and in the judicial courts. These proceedings are in different stages, and AMX cannot predict the timing of a final outcome. The Company has established a provision of Ps. 51 million (approximately R\$8 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Star One has received tax assessments in the amount of Ps. 10,600 million (approximately R\$1,665 million), alleging that the provision of satellite capacity is subject to ICMS tax. The Company is contesting these tax assessments in multiple separate proceedings, and the Company has obtained two appealable favorable judicial decisions in two proceedings by second degree Brazilian Courts, although a resolution is still pending for the majority of the proceedings. The Company has not established a provision in the accompanying financial statements to cover loss arising from this contingency.

Brazilian Social Welfare Tax on Service Exports (PIS)

Embrapar, Embratel and TdB have tax contingencies of Ps. 1,171 million (approximately R\$184 million), mostly related to the contributions of PIS prior to 1995, which the tax authorities allege were incorrectly offset. The Company is contesting these tax assessments in proceedings that are in different stages. The Company has established a provision of Ps. 51 million (approximately R\$8 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Brazilian Social Welfare Tax for Service Export Security Tax (COFINS)

Embrapar, Embratel and TdB have tax contingencies of Ps. 1,604 million (approximately R\$252 million), at December 31, 2012 related to the payment of COFINS. The Company is contesting these tax assessments in proceedings that are in different stages. AMX has established a provision of Ps. 589 million (approximately R\$100 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

FUST and FUNTTEL Funding

Anatel and the Brazilian Ministry of Communications (MINICOM) have issued tax assessments against Embratel, Star One, Primesys and TdB totaling Ps. 5,876 million (approximately R\$923 million), relating to alleged underpayment of their funding obligations for FUST and FUNTTEL. The assessments claim that interconnection and others revenues should not have been excluded from the basis used to calculate funding obligations. The companies have challenged the tax assessments, and such challenges are pending. The Company has not established a provision in the accompanying financial statements to cover loss arising from these contingencies. The Company has made a judicial deposit in the amount of Ps. 1,057 million (approximately R\$166 million) related to part of the contingencies relating to FUST.

Brazilian Services Tax (ISS)

The Municipal Revenue Services have issued tax assessments against Embratel, Primesys, Brasil Center Ltda. (“Brasil Center”) and TdB totaling Ps. 3,654 million (approximately R\$574 million) arising from nonpayment of ISS in connection with the provision of certain services. The companies have challenged the tax assessments on the grounds that such services are not subject to ISS tax, and the challenges are pending. The Company has not established a provision in the accompanying financial statements to cover loss arising from these contingencies.

Other tax contingencies

Our Brazilian subsidiaries are engaged in a number of additional administrative and legal proceedings challenging tax assessments, as summarized below:

- Embrapar, Embratel, Star One and TdB have received assessments in the total amount of Ps. 5,895 million (approximately R\$926 million), mainly related to allegedly incorrect deductions for purposes of Income Tax (*Imposto sobre Renda de Pessoa Jurídica* or “IRPJ”) and CSLL and the nonpayment of IRRF and CIDE over payments related to outbound traffic. AMX is challenging those assessments in administrative and judicial proceedings. The Company has established a provision of Ps. 13 million (approximately R\$2 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.
- Embratel was fined Ps. 2,356 million (approximately R\$370 million), by the Brazilian Federal Revenue Service for not making certain filings in the correct form from 2002 through 2005. The Company is contesting this fine on various grounds. The Company has not established a provision in the accompanying financial statements to cover loss arising from this contingency.
- Embratel, Star One, TdB and Primesys, have other on-going tax litigations in the amount of Ps. 2,763 million (approximately R\$434 million), relating to the offsetting of IRPJ, PIS, COFINS, CIDE, CSLL and IRRF (*Imposto de Renda Retido na Fonte* or Brazilian Foreign Paid Income Tax) against allegedly improper IRPJ and ILL (*Imposto Sobre o Lucro Líquido* or Brazilian Net Income Tax) credits. The Company has not established a provision in the accompanying financial statements to cover loss arising from these contingencies.

Disputes with third parties

Embratel, TdB, Primesys and Brasil Center are parties to a number of cases on a range of matters, including, among other things, disputes with former sales agents and disputes with former employees regarding health care

payments. The cases, which are in advanced stages of the litigation process, are for claims in the amount of Ps. 2,941 million (approximately R\$462 million). The Company has established a provision of Ps. 980 million (approximately R\$154 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Other civil and labor contingencies

Embratel and its subsidiaries are also party to other claims in the amount of Ps. 2,897 million (approximately R\$455 million), including claims filed by its telephone service customers and claims relating to environmental matters. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps. 344 million (approximately R\$54 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

In April 2009, Star One was notified of an arbitration proceeding initiated against it by two international telecom operators seeking restitution damages for up to Ps. 950 million (approximately US\$73 million), for alleged commercial losses arising from contracts executed in 2002 and 2004. In December 2012, the tribunal issued a final decision and claimants were awarded damages in the amount of Ps. 53 million (approximately US\$4.1 million), which amount includes interests and arbitration costs.

Embratel and its subsidiaries are party to labor claims in the amount of Ps. 3,667 million (approximately R\$576 million), filed by its current and former employees, alleging compensation for pension and other social benefits, overtime work, outsourcing and equal pay. The Company has established a provision of Ps. 618 million (approximately R\$97 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Net

ICMS

In 2011, Net Serviços de Comunicação S.A. (“Net”) was assessed by the Secretary of the Treasury of the State of Sao Paulo for the loss of the tax benefit of reducing the ICMS base it is entitled to, alleging that Net did not include revenues from the rental of equipment in the ICMS base. The amount of this assessment as of December 31, 2012 was Ps. 1,744 (approximately R\$274 million). The tax authority claims that from January 2008 to November 2009, Net should have paid the ICMS on pay TV services revenues at a rate of 25% instead of the rate of 10% actually applied by Net. In the tax authority’s view, Net lost the rate reduction benefit allowed by ICMS Agreement No.57/99 because Net did not include “*locação de equipamento*” (rental of equipment) in its revenues. Net based its calculation on the interpretation of the Brazilian Superior Court that the rental of equipment should not be confused with a subscription TV service, and therefore cannot be taxed by ICMS and, consequently, there is no motive to lose the tax benefit as alleged by the tax authority. However, considering that there is no specific precedent (at both the administrative and judicial levels) on the issue, it is not possible to predict the outcome of this matter yet and established a provision in the accompanying financial statements.

CSLL/IRPJ

In 2009, Net São Paulo Ltda. (a Net subsidiary) received a tax assessment issued by the Brazilian Internal Revenue Service questioning part of the expenses considered as deductible in its calculation of IRPJ and CSLL from 2004 to 2008, amounting to Ps. 3,483 million (approximately R\$547 million). In October 2010, a first instance decision reduced this amount to Ps. 2,362 million (approximately R\$371 million). Net has determined that a loss is possible but not probable and accordingly AMX has not established a provision in the accompanying financial statements. As of December 31, 2012, the total amount in dispute was approximately Ps. 2,088 million (approximately R\$328 million) for IRPJ and Ps. 745 million (approximately R\$117 million) for CSLL.

Imposto sobre Operações Financeiras (IOF)

Net and its controlled companies have centralized cash management and cash transfers made under a current intercompany account. Management determined that such transfers are not subject to financial transaction tax IOF charges. However, the Federal Revenue Service may deem such transfers to be inter-company loans. In the event such transfers are deemed to be inter-company loans, AMX may be subject to IOF, on the amount of the loans. IOF applies to loans between non-financial entities at a maximum rate of 1.5% per year where the principal amount and the term for repayment is fixed, and at a daily rate of 0.0041% on the outstanding balance, without limit on the total amount of tax payable, if the principal amount of the loan is not fixed. In view of certain adverse court decisions as to the applicability of this law, the Company has established a provision of Ps. 643 million (approximately R\$101 million) as of December 31, 2012.

Conecel

Tax Assessments

During 2008, the Ecuadorian Revenue Services (“SRI”) notified Conecel of tax assessments in the amount of Ps. 1,795 million (approximately US\$138 million) (not including interest and penalties), relating to special consumption (ICE), value-added, income and withholding taxes for the years 2003 to 2006. In March 2008, Conecel paid the SRI Ps. 182 million (approximately US\$14 million), in respect of the aforesaid tax assessments (including fines) and filed challenges with the SRI with respect to Ps. 1,652 million (approximately US\$127 million). In December 2008, the SRI notified Conecel of a resolution that denied the challenges filed by Conecel against the tax assessments. As a result of the foregoing, in January 2009, Conecel filed a lawsuit before a Tax Court in Guayaquil challenging the tax assessments and providing a bank guarantee of Ps. 169 million (approximately US\$13 million), which represented 10% of the contested amount. The Tax Court issued its final resolution in March 2012. The Tax Court’s resolution was favorable with respect to Ps. 312 million (US\$24 million), of the disputed amount. The Company has appealed the unfavorable portion of the resolution before the National Court of Justice (*Corte Nacional de Justicia*), and such appeal is still pending.

In addition, in 2011 and 2012 the SRI notified Conecel of tax assessments in the amount of Ps. 1,548 million (approximately US\$119 million), relating to the same matter discussed above, but for the 2007 and 2008 fiscal years. Conecel filed lawsuits before a Tax Court in Guayaquil challenging the tax assessments and such lawsuits are still pending.

The Company has established a provision of Ps. 390 million (approximately US\$30 million) in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

18. Related Parties

a) The following is an analysis of the balances with related parties at December 31, 2011 and 2012. All of the companies are considered as associates or affiliates of América Móvil since the Company or the Company's principal shareholders are also direct or indirect shareholders in the related parties.

	<u>2011</u>	<u>2012</u>
Accounts receivable:		
Sanborn Hermanos, S.A.	Ps. 241,448	Ps. 149,010
Sears Roebuck de México, S.A. de C.V.	179,612	245,075
Net Serviços de Comunicação, S.A. (NET)	2,826,214	—
AT&T Corp. (AT&T)	55,443	56,445
Patrimonial Inbursa, S.A.	52,864	164,267
Other	58,318	74,256
Total	<u>Ps. 3,413,899</u>	<u>Ps. 689,053</u>
Accounts payable:		
Fianzas Guardiania Inbursa, S.A. de C.V.	Ps. 120,273	Ps. 231,678
Seguros Inbursa, S.A. de C.V.	12,595	—
Net Serviços de Comunicação, S.A. (NET)	616,929	—
Operadora Cicsa, S.A. de C.V.	161,936	272,293
PC Industrial, S.A. de C.V.	168,890	187,111
Microm, S.A. de C.V.	45,970	77,354
Grupo Financiero Inbursa, S.A.B. de C.V.	45,729	63,269
Conductores Mexicanos Eléctricos y de Telecomunicaciones, S.A. de C.V.	18,898	53,265
Acer Computec México, S.A. de C.V.	4,575	28,886
Sinergia Soluciones Integrales de Energia, S.A. de C.V.	40,560	74,541
Eidon Software, S.A. de C.V.	64,079	34,660
AT&T	7,495	6,838
Other	322,336	224,777
Total	<u>Ps. 1,630,265</u>	<u>Ps.1,254,672</u>

b) For the years ended December 31, 2010, 2011 and 2012, the Company conducted the following transactions with related parties:

	2010	2011	2012
Investments and expenses:			
Construction services, purchases of materials, inventories and fixed assets ⁽¹⁾	Ps.3,411,260	Ps. 5,391,385	Ps.6,014,441
Insurance premiums, fees paid for administrative and operating services, brokerage services and others ⁽²⁾	2,215,599	2,354,859	2,411,663
Call termination costs	187,971	182,411	46,566
Interconnection expenses ⁽³⁾	3,612,950	3,919,841	250,426
Other services	40,052	371,807	981,496
	<u>Ps.9,467,832</u>	<u>Ps.12,220,303</u>	<u>Ps.9,704,592</u>
Revenues:			
Sale of long-distance services and other telecommunications services ⁽⁴⁾	Ps.4,847,286	Ps. 5,266,597	Ps. 352,086
Sale of materials and other services	560,342	523,795	447,390
Call termination revenues ⁽⁵⁾	666,013	512,897	486,230
	<u>Ps.6,073,641</u>	<u>Ps. 6,303,289</u>	<u>Ps.1,285,706</u>

- 1) In 2012, this amount includes Ps.5,867,810 (Ps.5,171,398 in 2011 and Ps.2,720,123 in 2010) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).
- 2) In 2012, this amount includes Ps.704,200 (Ps.708,088 and Ps.343,810 in 2011 and 2010, respectively) for network maintenance services performed by Grupo Carso subsidiaries; Ps.599,784 (Ps.584,254 and Ps.632,059 in 2011 and 2010, respectively) for software services provided by an associate; Ps.669,118 (Ps.605,373 and Ps.518,680 in 2011 and 2010, respectively) for insurance premiums with Seguros Inbursa, S.A. (Seguros), which, in turn, places most of such insurance with reinsurers; and Ps.130,101 (Ps.160,080 and Ps.159,083 in 2011 and 2010) of fees for management and operating services due to AT&T Mexico, Inc. and Inversora, which is a corporation under common control with América Móvil.
- 3) Includes interconnection expenses for calls from fixed telephones to mobile phones paid to NET subsidiaries.
- 4) Revenues from billing long distance and other telecommunications services of Ps.4,641,231 and Ps.3,402,843 in 2011 and 2010, respectively, from NET; and Ps. 235,804 (Ps.135,302 in 2011 and Ps.229,941 in 2010) from AT&T subsidiaries.
- 5) Includes costs and revenues with AT&T subsidiaries.

c) During 2012, the Company paid Ps.942,090 (Ps. 726,524 and Ps.755,127 in 2011 and 2010, respectively) for short-term direct benefits to its executives.

19. Shareholders' Equity

Shares

a) At December 31, 2012 and 2011, the Company's capital stock was represented by 75,841,000,000 shares (23,424,632,660 Series "AA" shares, 712,842,183 Series A shares and 51,703,525,157 Series L), and by 76,992,000,000 shares (23,424,632,660 Series "AA" shares, 756,967,714 Series "A" shares and 52,810,399,626 Series "L" shares), respectively (these figures reflects (i) the stock split effected in June 2011; (ii) the merger with AMTEL in 2006; (iii) the placement of 8,438,193,725 Series "L" treasury shares resulting from the tender offers for Carso Global Telecom, S.A.B. de C.V. and Telmex Internacional, S.A.B. de C.V., which were

completed on June 16, 2010; and (iv) the exchanges (conversiones) of Series “A” shares for Series “L” shares made by third parties through S.D. Ineval Institución para el Depósito de Valores, S.A. de C.V.).

b) The capital stock of the Company consists of a minimum fixed portion of Ps. 397,873 (nominal amount), represented by 95,489,724,196 shares (including treasury shares available for placement in accordance with the provisions of the Mexican Securities Law), of which (i) 23,424,632,660 are common Series “AA” shares; (ii) 776,818,130 are common Series “A” shares; and (iii) 71,288,273,406 are Series “L” shares, all of them fully subscribed and paid.

c) At December 31, 2012 and 2011, the Company’s treasury shares available for placement in accordance with the provisions of the Mexican Securities Law, were represented by 19,648,724,196 shares (19,642,211,887 Series “L” shares and 6,512,309 Series A shares), and 18,497,724,196 shares (18,495,699,196 Series L shares and 2,025,000 Series A shares), respectively (these figures reflects (i) the stock split effected in June 2011; and (ii) the placement of 8,438,193,725 Series “L” treasury shares resulting from the tender offers for Carso Global Telecom, S.A.B. de C.V. and Telmex Internacional, S.A.B. de C.V., which were completed on June 16, 2010).

d) The holders of Series “AA” and Series “A” shares are entitled to full voting rights. The holders of Series “L” shares may only vote in certain circumstances, and they are only entitled to appoint two members of the Board of Directors and their respective alternates. The matters in which the shareholders who are entitled to vote are the following: extension of the term of the Company, early dissolution of the Company, change of corporate purpose of the Company, change of nationality of the Company, transformation of the Company, a merger with another company, as well as the cancellation of the registration of the shares issued by the Company in the National Securities Registry (Registro Nacional de Valores), and any other foreign stock exchanges where they may be registered, except for quotation systems or other markets not organized as stock exchanges. Within their respective series, all shares confer the same rights to their holders. The Company’s bylaws contain restrictions and limitations related to the subscription and acquisition of Series “AA” shares by non-Mexican investors.

e) In accordance with the bylaws of the Company, Series “AA” shares must at all times represent no less than 20% and no more than 51% of the Company’s capital stock, and they also must represent at all times no less than 51% of the common shares (entitled to full voting rights, represented by Series “AA” and Series “A” shares), representing said capital stock.

Series “AA” shares may only be subscribed to or acquired by Mexican investors, Mexican corporations and/or trusts expressly empowered for such purposes in accordance with the applicable legislation in force. Series “A” shares, which may be freely subscribed, may not represent more than 19.6% of capital stock and may not exceed 49% of the common shares representing such capital. Common shares (entitled to full voting rights, represented by Series “AA” and Series “A” shares), may not represent more than 51% of the Company’s capital stock.

Lastly, 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 the Company’s capital stock. For purposes of determining these restrictions, the percentages mentioned above refer only to the number of Company shares outstanding.

Dividends

f) On April 27, 2011, the Company’s shareholders approved payment of a cash dividend of \$0.36 pesos per share to each of the shares of its capital stock series “AA”, “A” and “L”, which was subsequently adjusted based on the resolutions adopted regarding the two for one stock split that was effective in June 2011;

g) On April 25, 2012, the Company’s shareholders approved, among others resolution, the (i) payment of a cash dividend of \$0.20 pesos per share to each of the shares of its capital stock series “AA”, “A” and “L”, payable in two equal installments of \$0.10 pesos; and (ii) increase the amount of funds available for the acquisition of the Company’s own shares by Ps. 30 billion pursuant to Article 56 of the Mexican Securities Market Law.

The aforementioned dividends were paid from the consolidated net taxed profits account (cuenta de utilidad fiscal neta consolidada).

20. Income Tax, Asset Tax and Flat-Rate Business Tax

I) Mexico

a) Beginning January 2002, the Ministry of Finance and Public Credit authorized América Móvil to consolidate its tax results with its Mexican subsidiaries. In July 2010, the Company obtained authorization from the Ministry of Finance and Public Credit to incorporate to its consolidation regime the tax results of CGT (Carson Global Telecom) and its subsidiaries, Telmex and its Mexican subsidiaries, and Telint and its Mexican subsidiaries.

Tax consolidation regime in Mexico is a tax mechanism through which taxpayers file a single tax return for all Mexican subsidiaries and the holding company (in this case, América Móvil as a controlled entity) as if they were a single entity.

b) Flat-rate business tax (FRBT)

The FRBT is computed by applying the 17.5% rate in 2010, 2011 and 2012 to income determined on the basis of cash flows, net of authorized credits.

FRBT is payable only to the extent it exceeds income tax for the same period. To determine FRBT payable, income tax paid in a given period is first subtracted from the FRBT of the same period. In 2010, 2011 and 2012 América Móvil paid income tax, thus FRBT was not applicable.

c) Corporate tax rate

The income tax rate applicable in Mexico for 2010, 2011 and 2012 was 30%.

d) An analysis of income tax charged to results of operations for the years ended December 31, 2010, 2011 and 2012 is as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
In Mexico:			
Current year income tax	Ps.35,358,801	Ps.31,933,880	Ps.27,123,124
Deferred income tax	(6,609,769)	(5,004,378)	1,176,649
Effect of changes in tax rate	62,050	(99,763)	155,599
Foreign:			
Current year income tax	12,966,253	18,940,637	21,047,770
Deferred income tax	(5,563,716)	(5,349,714)	(3,124,451)
	<u>Ps.36,213,619</u>	<u>Ps.40,420,662</u>	<u>Ps.46,378,691</u>

e) A reconciliation of the corporate income tax rate to the effective income tax rate recognized by the Company is as follows:

	Year ended December 31,		
	2010	2011	2012
Statutory income tax rate in Mexico	30.0%	30.0%	30.0%
Impact of non-deductible and non-taxable items:			
Tax inflation effect	1.6%	2.1%	4.0%
Operations of foreign subsidiaries	(0.4)%	(1.0)%	(0.3)%
Other	0.4%	(0.1)%	(3.9)%
Effective tax rate on Mexican operations	31.6%	31.0%	29.8%
Change in estimated realization of deferred tax assets in Brazil	(4.4)%	(1.5)%	(0.3)%
Use of tax credits in Brazil	(1.3)%	(0.4)%	(1.1)%
Revenues and costs of subsidiaries' operations	0.9%	2.3%	5.1%
Effective tax rate	<u>26.8%</u>	<u>31.4%</u>	<u>33.5%</u>

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

	At December 31,	
	2011	2012
Deferred tax assets		
Accrued liabilities	Ps. 6,194,778	Ps. 6,236,552
Other	1,384,621	515,625
Deferred revenues	9,080,070	3,708,439
Tax losses	4,335,011	2,886,415
	<u>20,994,480</u>	<u>13,347,031</u>
Deferred tax liabilities:		
Fixed assets	(18,766,098)	(20,941,366)
Inventories	(348,507)	2,738,120
Licenses	(308,025)	(2,919,966)
Deferred effects of tax consolidation in Mexican subsidiaries	(7,204,850)	(7,169,028)
Royalty advances	(3,185,298)	(30,000)
Pensions	(6,251,882)	(7,445,175)
Other	(1,831,936)	882,610
	<u>(37,896,596)</u>	<u>(34,884,805)</u>
Plus:		
Effect of changes in tax rate	150,400	305,999
Total deferred taxes	<u>Ps.(16,751,716)</u>	<u>Ps.(21,231,775)</u>

An analysis of the effects of temporary differences within the deferred tax that was (charged) or credited to results of operations is as follows:

	2010	At December 31,	
		2011	2012
Deferred tax assets:			
Accrued liabilities	Ps. 537,956	Ps. 1,832,791	Ps. 41,774
Other	476,193	(896,440)	(868,996)
Deferred revenues	(254,589)	6,719,623	(5,371,631)
Tax losses	84,467	275,777	(1,448,596)
	<u>844,027</u>	<u>7,931,751</u>	<u>(7,647,449)</u>
Deferred tax liabilities:			
Fixed assets	1,310,841	99,556	(1,519,682)
Inventories	195,373	4,261	3,086,627
Licenses	(324,939)	85,110	462,077
Forward contracts with affiliated companies	3,531,564	—	—
Royalty advances	500,000	(655,298)	3,155,298
Pensions	(243,841)	(1,441,886)	(1,193,293)
Other	8,342	(601,143)	4,055,398
	<u>4,977,340</u>	<u>(2,509,400)</u>	<u>8,046,425</u>
Plus:			
Effect of changes in tax rate	(62,050)	(67,387)	155,599
Income tax from tax consolidation	(716,626)	(107,445)	35,822
Total deferred taxes	<u>Ps.5,042,691</u>	<u>Ps. 5,247,519</u>	<u>Ps. 590,397</u>

The effects of temporary differences giving rise to the deferred tax asset at December 31, 2011 and 2012 is as follows:

	At December 31,	
	2011	2012
Deferred tax assets:		
Accrued liabilities	Ps.13,541,048	Ps.13,716,389
Deferred revenues	789,875	942,077
Other	4,478,188	3,074,742
Tax losses	14,567,430	15,666,862
	<u>33,376,541</u>	<u>33,400,070</u>
Deferred tax liabilities:		
Fixed assets	(74,126)	716,590
Licenses	(389,087)	(332,501)
Other	161,130	211,911
	<u>(302,083)</u>	<u>596,000</u>
Total deferred taxes	<u>Ps.33,074,458</u>	<u>Ps.33,996,070</u>

At December 31, 2010, 2011 and 2012, the above table includes the deferred tax assets of TracFone, Puerto Rico, Argentina, Colombia, Honduras, Guatemala and Brazil.

An analysis of the effects of temporary differences within the deferred tax that was (charged) or credited to results of operations is as follows:

	2010	At December 31, 2011	2012
Deferred tax assets:			
Accrued liabilities	Ps. 1,798,968	Ps.1,176,059	Ps.(1,221,378)
Deferred revenues	317,443	303,386	152,202
Other	343,207	252,735	(1,677,171)
Tax losses	6,580,325	1,719,089	(534,335)
	<u>9,039,943</u>	<u>3,451,269</u>	<u>(3,280,682)</u>
Deferred tax liabilities:			
Fixed assets	(1,565,298)	(266,646)	790,716
Licenses	(132,038)	104,660	56,586
Other	(61,197)	195,333	50,781
	<u>(1,758,533)</u>	<u>33,347</u>	<u>898,083</u>
Total deferred taxes	<u>Ps. 7,281,410</u>	<u>Ps.3,484,616</u>	<u>Ps.(2,382,599)</u>

In Brazil, deferred tax assets are recognized for tax losses carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable, as well as for other temporary items. The benefit in income taxes expense for the years ended December 31, 2010 and 2011, attributable to the change in estimate over the recoverability of the tax loss carryforwards, was Ps.9,038,423 and Ps.8,692,374 , respectively, and is shown as a credit in deferred income tax.

g) Changes in the Mexican Tax Environment effective since 2010.

On December 7, 2009, a tax reform was approved that increased the corporate income tax rate from 28% to 30% for the years from 2010 to 2012 and was scheduled to be decreased to 29% in 2013 and 28% in 2014 and thereafter. However, the Mexican Federal Internal Revenue Act enacted in December 2012 established that the corporate income tax rate will remain at 30% in 2013 and that the income tax rate reduction to 29% will take effect in 2014 and to 28% in 2015 and thereafter. The effect of the change in the corporate income tax rate on deferred taxes as of December 31, 2012 resulted in a charged to deferred tax expense of Ps. 155,599 in 2012.

Beginning in 2010, as consequence of the tax consolidation regime, the Mexican tax authorities established a methodology named “partial tax -consolidation” or “recapture” in order to identify all concepts that generated a deferral in the tax payment. This recapture effect is applied for the principal concepts that generated an income tax deferral in the sixth year prior to this change in the tax law. Those concepts are as follows:

- i) Tax losses of the holding company or the controlled companies on stand-alone basis
- ii) Loss on the sale of shares issued by the controlled companies
- iii) Book dividends paid from sources other than the CUFIN
- iv) Difference between consolidated and stand-alone basis CUFIN balances of the controlled companies and their holding.

For the recapture effects (mentioned above), if any, the payment of the income tax previously deferred should be as follows:

<u>Year</u>	<u>Portion to be remitted</u>
2012	25%
2013	20%
2014	15%
2015	15%

In the case of the Company, the recapture effect derived from the tax consolidation is mainly represented by tax losses utilized in the tax consolidation that have not being used on a stand-alone basis by the controlling company or the holding companies.

h) At December 31, 2011 and 2012, the balance of the contributed capital account (CUCA) is Ps. 363,240,830 and Ps. 387,806,147, respectively, and the CUFIN balance is Ps. 318,082,830 and Ps. 379,500,778, respectively.

II) Foreign Subsidiaries

a) Results of operations

The foreign subsidiaries determine their taxes on profits based on their individual taxable income, in accordance with the specific tax regimes of each country. The combined income before taxes and the combined provision for taxes of such subsidiaries in 2010, 2011 and 2012 are as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Combined income before taxes	Ps.44,996,818	Ps.42,011,515	Ps.42,628,730
Combined tax provision	7,402,537	13,590,923	17,923,319

b) Tax losses

At December 31, 2012, the available tax loss carryforwards of the subsidiaries of América Móvil are as follows:

<u>Country</u>	<u>Balance of available tax loss carryforwards at December 31, 2012</u>	<u>Tax benefits</u>
Chile	Ps. 1,503,995	Ps. 257,109
Brazil	40,632,785	13,815,147
Mexico	9,616,008	2,884,802
Puerto Rico	2,394,162	718,249
Argentina	846,358	279,298
Colombia	167,651	58,678
Total	Ps.55,160,959	Ps.18,013,283

The tax loss carryforwards in the different countries in which the Company operates have the following terms and characteristics:

i) In Brazil there is no expiration of the tax loss carryforwards. However, the carryforward amount in each year may not exceed 30% of the taxable income for such year. Consequently, in the year in which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate tax rate.

ii) In Chile, tax loss carryforwards have no expiration date and the corporate tax rate in that country is 17%. Consequently, at the time tax losses are realized, taxpayers obtain a benefit of only 17% of the amount of the loss generated.

The Company believes that it is more likely than not that it will recognize the benefit of unreserved net operating loss carry-forwards in future periods, primarily through continuing operations, tax planning strategies, and other sources of taxable income.

21. Segments

América Móvil operates in different countries. As mentioned in Note 1, the Company has operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Brazil, Argentina, Colombia, United States, Honduras, Chile, Peru, Paraguay, Uruguay, Dominican Republic, Puerto Rico, Jamaica and Panama. The accounting policies for the segments are the same as those described in Note 2.

The Company's management analyzes the financial and operating information by geographical segment, except for Mexico, which shows América Móvil (Corporate and Telcel) and Telmex as two segments. All significant operating segments that represent more than 10% of consolidated revenues, more than 10% of net profits and more than 10% of consolidated assets, are presented separately.

	Mexico ⁽¹⁾	Telmex	Brazil	Southern Cone ⁽²⁾	Colombia	Andean ⁽³⁾	Central America ⁽⁴⁾	U.S.A. ⁽⁵⁾	Caribbean ⁽⁶⁾
At December 31, 2010									
Operating revenues	165,296,403	114,994,278	159,482,266	46,953,186	50,823,503	30,700,703	17,869,434	35,693,900	2,000,000
Depreciation and amortization	10,261,103	17,500,370	33,525,620	5,537,205	9,340,301	3,545,006	6,243,527	343,792	4,000,000
Operating income	76,090,032	27,991,616	13,843,292	7,530,880	13,486,785	9,076,550	(194,044)	1,617,152	1,000,000
Interest income	4,275,008	583,762	2,615,814	760,644	531,526	408,603	160,038	82,490	1,000,000
Interest expense	13,847,898	3,443,522	3,135,696	457,751	413,663	610,604	353,040		
Income tax	19,943,409	8,325,091	(3,286,036)	3,252,464	3,313,865	2,838,429	1,199,418	373,696	
Equity interest in net income of associated companies	52,485	195,910	1,428,826	19,435					
Net profit attributable to parent	44,664,283	15,121,138	14,264,111	6,443,241	7,328,991	5,944,117	(1,786,666)	1,277,269	1,000,000
Assets by segment	1,160,716,719	155,800,277	253,677,418	78,749,869	83,930,378	65,392,559	45,658,743	12,560,676	6,000,000
Plant, property and equipment, net	40,881,732	99,893,002	123,921,091	35,790,891	33,826,866	18,636,393	28,788,969	718,744	2,000,000
Goodwill, net	9,747,092	103,289	3,354,681	2,729,994	13,892,928	3,947,450	4,590,890	781,201	3,000,000
Trademarks, net	26,549		1,913,567	416,023	1,087,300	3,975	499,950		
Licenses and rights, net	6,106,148	221,010	25,374,188	1,514,653	4,018,557	4,497,609	1,174,314		
Investment in associates	48,274,722	1,392,042	44,945,736	65,727	13,130		59,874		
Liabilities by segments	305,985,289	108,524,741	117,672,501	32,128,844	28,872,300	23,186,120	22,172,746	11,643,324	2,000,000
At December 31, 2011									
Operating revenues	169,117,703	112,255,217	177,697,278	54,838,798	61,087,250	35,393,881	19,564,643	47,553,690	2,000,000
Depreciation and amortization	10,290,504	16,936,389	36,299,859	6,504,008	8,273,765	3,986,524	6,205,962	374,877	1,000,000
Operating income	76,004,224	26,582,083	9,450,925	8,607,931	19,450,851	11,200,534	(57,464)	816,558	1,000,000
Interest income	8,964,516	385,768	3,745,607	2,188,569	147,966	468,968	87,938	99,154	
Interest expense	15,543,449	2,967,729	8,871,412	1,195,200	595,188	419,178	233,345		
Income tax	19,064,289	7,333,206	(1,587,570)	3,758,431	6,819,446	3,381,785	1,198,810	332,988	
Equity interest in net income of associated companies	30,542	115,070	1,856,401						
Net profit attributable to parent	41,407,389	14,581,672	4,297,400	4,100,544	7,787,189	8,316,861	(911,512)	585,807	1,000,000
Assets by segment	757,046,055	163,439,508	299,733,013	106,287,173	97,225,819	65,993,608	56,856,694	16,090,706	6,000,000
Plant, property and equipment, net	42,244,711	98,877,234	137,394,139	49,980,417	42,260,513	24,462,608	38,854,216	813,907	3,000,000
Goodwill, net	13,401,456	103,289	691,096	2,599,802	14,882,545	4,120,226	4,808,699	781,201	3,000,000
Trademarks, net	12,347		1,355,486	373,544	466,597	1,942	288,214		
Licenses and rights, net	5,413,039	191,320	18,784,656	1,447,050	4,525,722	4,794,475	1,029,922		
Investment in associates	48,227,056	1,585,330	48,298,290	226,050	16,480		76,591		
Liabilities by segments	397,083,395	114,366,987	140,279,863	61,074,258	37,562,936	21,400,022	31,771,790	15,354,830	2,000,000
At December 31, 2012									
Operating revenues	183,216,384	106,024,574	209,786,554	62,017,811	73,432,068	42,495,288	23,047,478	63,572,960	2,000,000
Depreciation and amortization	9,155,640	16,758,034	39,827,700	7,182,614	10,346,090	4,689,847	9,609,151	478,976	1,000,000
Operating income	82,101,272	18,754,438	11,526,154	8,071,120	22,709,742	13,176,907	(3,497,129)	1,688,063	1,000,000
Interest income	2,690,719	236,106	2,717,879	18,709	13,417	30,777	34,976	131	
Interest expense	18,762,177	2,467,279	2,592,655	660,930	372,933	72,206	16,942	629	
Income tax	22,307,470	6,038,146	1,210,759	3,998,988	6,397,518	3,708,410	1,119,312	896,607	
Equity interest in net income of associated companies	770,206	116,240	(4,966)	6,541			(45,635)		
Net profit attributable to parent	55,384,597	11,777,208	(166,533)	2,606,370	15,151,468	9,303,620	(4,895,158)	871,722	1,000,000
Assets by segment	823,995,469	165,861,785	310,500,881	102,201,239	107,371,575	68,433,805	50,569,456	21,164,275	6,000,000
Plant, property and equipment, net	45,084,232	103,336,105	163,154,248	53,108,253	45,200,786	25,791,457	35,176,900	1,592,274	2,000,000
Goodwill, net	9,468,188	103,823	29,435,809	2,112,690	15,642,979	5,082,613	4,740,253	1,469,387	3,000,000
Trademarks, net	11,882		736,803	53,193		1,596	134,009		
Licenses and rights, net	4,693,796	161,629	25,512,676	1,331,605	3,220,881	4,300,618	2,650,808		
Investment in associates	82,966,158	1,523,525	681	205,525	18,816		16,782		
Liabilities by segments	492,791,925	117,353,138	165,982,722	63,320,536	38,459,314	20,608,834	26,307,510	19,224,543	2,000,000

(1) Mexico includes Telcel and corporate operations and assets

(2) Southern Cone includes Argentina, Chile, Paraguay and Uruguay

(3) Andean includes Ecuador and Peru.

(4) Central America includes Guatemala, El Salvador, Honduras, Nicaragua and Panama.

(5) Excludes Puerto Rico

(6) Caribbean includes the Dominican Republic, Puerto Rico and Jamaica

22. Components of other comprehensive income

An analysis of the components of the other comprehensive income as of December 31, 2010, 2011 and 2012 is as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Valuation of the derivative financial instruments, net of deferred taxes	Ps. (401,357)	Ps. (276,748)	Ps. (253,428)
Translation effect of foreign subsidiaries, net of deferred tax	(7,928,786)	10,358,985	(32,651,656)
Non-controlling interest of the items above	<u>498,749</u>	<u>61,772</u>	<u>(509,747)</u>
Other comprehensive income (loss)	<u>Ps.(7,831,394)</u>	<u>Ps.10,144,009</u>	<u>Ps.(33,414,831)</u>

23. Subsequent Events

- A. In November 2012, AMX established a new program to issue peso-denominated notes that can be distributed and traded on a seamless basis in Mexico and internationally. The notes are registered with both the U.S. Securities and Exchange Commission and the Mexican Banking and Securities Commission. AMX sold Ps. 15 billion of notes under the program in November 2012 and a further Ps.15 billion in March 2013. The Company intends to use the program to raise a total of Ps.100 billion over five years to increase the share of Mexican pesos in its overall funding.
- B. On January 21, 2012, the Company entered into an agreement with Corporación Interamericana de Entretenimiento, S.A.B. de C.V. (“CIE”), to acquire 100% of the shares of Corporación de Medios Integrales, S.A. de C.V. (“CMI”). CMI holds the media and advertising business within the commercial segment at CIE. The completion of the transaction is subject to certain approvals and is expected to occur during the second quarter of 2013.
- C. KPN has announced that it is planning to conduct a rights issue in an amount up to €3 billion, and the Company has committed to participate in proportion to its current investment.
- The Company has agreed to participate in the rights issue and subscribe for newly issued ordinary shares in KPN pro rata to its current participation in the total share capital of KPN.
- D. On March 19, 2013, AMX announced that in its Board of Directors meeting, the Board decided to submit to the Ordinary General Shareholders’ Meeting to be held on or before April 30, 2013, a proposal to:
- (i) make a payment of a cash dividend from the consolidated net profit tax account (cuenta de utilidad fiscal neta consolidada), of Ps. 0.22 (twenty two peso cents), payable in two installments, to each of the shares of its capital stock series “AA”, “A” and “L” outstanding as of the date of the dividend payment, subject to adjustments arising from other corporate events (including repurchase or placement of its own shares), that may vary the number of shares outstanding as of the date of said dividend payment; and
 - (ii) (ii) to increase by Ps. 40.0 billion, the outstanding amount to repurchase shares in accordance with Article 56 of the Securities Market Law (Ley del Mercado de Valores).
- E. On March 21, 2013, AMX announced that the International Olympic Committee (“IOC”), has awarded it the right to broadcast the XXII Olympic Winter Games in Sochi, Russia in 2014 and the Games of the XXXI Olympiad in Rio de Janeiro, Brazil in 2016. AMX has acquired broadcast rights on all media platforms across Latin America.

24. Supplemental Guarantor Information

As mentioned in Note 16, the Company has issued senior notes in the United States. Certain notes are fully and unconditionally guaranteed by Telcel.

Consolidating Condensed Financial Information

The following consolidating information presents condensed consolidating balance sheets as of December 31, 2011 and 2012 and condensed consolidating statements of income and cash flows for each of the three years in the period ended December 31, 2012 of the Company and Telcel (the “wholly-owned Guarantor Subsidiary”). These statements are prepared in accordance with IFRS, as issued by the IASB, with the exception that the subsidiaries are accounted for as investments under the equity method rather than being consolidated. The guarantees of the Guarantor are full and unconditional.

The Company's consolidating condensed financial information for the (i) Company; (ii) its wholly-owned subsidiary Telcel (on standalone basis), which is a wholly and unconditional guarantor under the Senior Notes; (iii) the combined non-guarantor subsidiaries; iv) eliminations and v) the Company's consolidated financial statements are as follows:

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>As of December 31, 2011</i>					
Assets:					
Cash and cash equivalents	Ps. 29,197,958	Ps. 2,012,334	Ps. 27,913,704		Ps. 59,123,996
Accounts receivable, net	14,813,792	10,824,959	109,128,438		134,767,189
Related parties	43,587,586	42,450,553	127,340,889	Ps.(209,965,129)	3,413,899
Inventories, net	776,540	14,789,027	18,612,019	(36,269)	34,141,317
Other current assets		568,473	10,278,276		10,846,749
	<u>88,375,876</u>	<u>70,645,346</u>	<u>293,273,326</u>	<u>(210,001,398)</u>	<u>242,293,150</u>
Plant, property and equipment, net	13,361,842	15,067,840	437,657,091		466,086,773
Investments in associated companies and others	579,314,439	118,109,790	85,084,029	(728,290,235)	54,218,023
Intangible assets and other non-current assets, net	1,882,874	7,567,118	175,584,806		185,034,798
Total assets	<u><u>Ps.682,935,031</u></u>	<u><u>Ps.211,390,094</u></u>	<u><u>Ps.991,599,252</u></u>	<u><u>Ps. (938,291,633)</u></u>	<u><u>Ps.947,632,744</u></u>
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 1,197,237		Ps. 25,548,746	Ps. (102,668)	Ps. 26,643,315
Current liabilities	<u>108,076,405</u>	<u>Ps.180,543,972</u>	<u>158,557,758</u>	<u>(209,047,136)</u>	<u>238,130,999</u>
	109,273,642	180,543,972	184,106,504	(209,149,804)	264,774,314
Long-term debt	287,514,674		66,460,813		353,975,487
Other non-current liabilities	<u>506,527</u>	<u>16,385</u>	<u>33,571,931</u>	<u>(851,595)</u>	<u>33,243,248</u>
Total liabilities	<u><u>397,294,843</u></u>	<u><u>180,560,357</u></u>	<u><u>284,139,248</u></u>	<u><u>(210,001,399)</u></u>	<u><u>651,993,049</u></u>
Equity attributable to equity holders of parent company	285,640,188	30,829,737	643,257,563	(674,087,304)	285,640,184
Non-controlling interest			64,202,441	(54,202,930)	9,999,511
Total equity	<u><u>285,640,188</u></u>	<u><u>30,829,737</u></u>	<u><u>707,460,004</u></u>	<u><u>(728,290,234)</u></u>	<u><u>295,639,695</u></u>
Total liabilities and equity	<u><u>Ps.682,935,031</u></u>	<u><u>Ps.211,390,094</u></u>	<u><u>Ps.991,599,252</u></u>	<u><u>Ps. (938,291,633)</u></u>	<u><u>Ps.947,632,744</u></u>

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>As of December 31, 2012</i>					
Assets:					
Cash and cash equivalents	Ps. 27,269,924	Ps. 1,325,939	Ps. 16,891,337		Ps. 45,487,200
Accounts receivable, net	75,389,317	12,096,177	35,500,209		122,985,703
Related parties	138,169,930	27,703,098	192,498,010	Ps. (357,681,985)	689,053
Inventories, net	553,334	11,116,645	17,057,888	(30,047)	28,697,820
Other current assets		703,717	10,567,746		11,271,463
	<u>241,382,505</u>	<u>52,945,576</u>	<u>272,515,190</u>	<u>(357,712,032)</u>	<u>209,131,239</u>
Plant, property and equipment, net	11,154,013	21,379,116	467,901,143		500,434,272
Investments in associated companies and others	569,723,183	112,103,513	91,822,348	(700,532,759)	73,116,285
Intangible assets and other non- current assets, net	1,770,730	10,642,576	208,802,911		221,216,217
Total assets	<u>Ps.824,030,431</u>	<u>Ps.197,070,781</u>	<u>Ps.1,041,041,592</u>	<u>Ps.(1,058,244,791)</u>	<u>Ps.1,003,898,013</u>
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 6,165,849		Ps. 7,921,521	Ps. (465,564)	Ps. 13,621,806
Current liabilities	<u>159,964,142</u>	<u>Ps.178,378,331</u>	<u>254,285,245</u>	<u>(353,390,847)</u>	<u>239,236,871</u>
	166,129,991	178,378,331	262,206,766	(353,856,411)	252,858,677
Long-term debt	355,666,397		48,381,885		404,048,282
Other non-current liabilities	436,230	16,435	38,070,634	(3,855,622)	34,667,677
Total liabilities	<u>522,232,618</u>	<u>178,394,766</u>	<u>348,659,285</u>	<u>(357,712,033)</u>	<u>691,574,636</u>
Equity attributable to equity holders of parent company	301,797,813	18,676,015	662,856,893	(681,532,906)	301,797,815
Non-controlling interest			29,525,414	(18,999,852)	10,525,562
Total equity	<u>301,797,813</u>	<u>18,676,015</u>	<u>692,382,307</u>	<u>(700,532,758)</u>	<u>312,323,377</u>
Total liabilities and equity	<u>Ps.824,030,431</u>	<u>Ps.197,070,781</u>	<u>Ps.1,041,041,592</u>	<u>(1,058,244,791)</u>	<u>Ps.1,003,898,013</u>

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>Condensed consolidating statements of income: For the year ended December 31, 2010</i>					
Total revenues	Ps. 3,745,818	Ps.115,232,667	Ps.611,355,753	Ps.(100,444,909)	Ps.629,889,329
Total cost and operating expenses	<u>1,336,270</u>	<u>113,956,646</u>	<u>462,709,241</u>	<u>(100,434,237)</u>	<u>477,567,920</u>
Operating (loss) income	2,409,548	1,276,021	148,646,512	(10,672)	152,321,409
Interest (expense) income, net	(11,138,004)	(3,164,235)	1,825,243	(2,200)	(12,479,196)
Exchange (loss) gain, net	4,822,580	542,954	216,040		5,581,574
Other financing cost, net	(1,815,045)	(2,895,023)	(7,265,887)		(11,975,955)
Taxes on profits	137,446	1,326,144	(37,677,209)		(36,213,619)
Equity interest in net income of associated companies	<u>96,706,527</u>	<u>3,412,786</u>	<u>498,647</u>	<u>(98,946,750)</u>	<u>1,671,210</u>
Net profit (loss) for year	<u>Ps. 91,123,052</u>	<u>Ps.498,647</u>	<u>Ps.106,243,346</u>	<u>Ps. (98,959,622)</u>	<u>Ps. 98,905,423</u>
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 91,123,052	Ps. 498,647	Ps. 97,951,398	Ps. (98,450,045)	Ps. 91,123,052
Non-controlling interest			<u>8,291,948</u>	<u>(509,577)</u>	<u>7,782,371</u>
Net profit (loss)	<u>Ps. 91,123,052</u>	<u>Ps. 498,647</u>	<u>Ps.106,243,346</u>	<u>Ps. (98,959,622)</u>	<u>Ps. 98,905,423</u>
Other comprehensive income items:					
Effect of translation of foreign entities	<u>Ps. (7,928,786)</u>	<u>Ps. 500,693</u>	<u>Ps. (7,924,918)</u>	<u>Ps. 8,197,303</u>	<u>Ps. (7,155,708)</u>
Effect of fair value of derivatives, net of deferred taxes	<u>(401,357)</u>		<u>(401,357)</u>	<u>127,028</u>	<u>(675,686)</u>
Total other comprehensive income items for the period	<u>(8,330,143)</u>	<u>500,693</u>	<u>(8,326,275)</u>	<u>8,324,331</u>	<u>(7,831,394)</u>
Total comprehensive income for the period	<u>Ps. 82,792,909</u>	<u>Ps. 999,340</u>	<u>Ps. 97,917,071</u>	<u>Ps. (90,635,291)</u>	<u>Ps. 91,074,029</u>
Comprehensive income for the period attributable to:					
Equity holders of the parent	<u>Ps. 82,792,909</u>	<u>Ps. 999,340</u>	<u>Ps. 89,635,951</u>	<u>Ps. (90,635,291)</u>	<u>Ps. 82,792,909</u>
Non-controlling interests			<u>8,281,120</u>		<u>8,281,120</u>
	<u>Ps. 82,792,909</u>	<u>Ps. 999,340</u>	<u>Ps. 97,917,071</u>	<u>Ps. (90,635,291)</u>	<u>Ps. 91,074,029</u>

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>Condensed consolidating statements of income:</i>					
<i>For the year ended December 31, 2011</i>					
Total revenues	Ps. 102,598,076	Ps. 127,108,045	Ps. 590,431,027	Ps. (130,170,836)	Ps. 689,966,312
Total cost and operating expenses	57,092,568	116,587,293	491,094,000	(129,583,017)	535,190,844
Operating (loss) income	45,505,508	10,520,752	99,337,027	(587,819)	154,775,468
Interest (expense) income, net	(6,537,358)	(9,675,128)	2,278,785	(4,005)	(13,937,706)
Exchange (loss) gain, net	(19,497,182)	(646,502)	(2,251,032)		(22,394,716)
Other financing cost, net	2,433,267		5,773,049	(28,531)	8,177,785
Taxes on profits	(9,316,862)	(1,223,610)	(29,880,190)		(40,420,662)
Equity interest in net income of associated companies	70,266,156	1,350,663	326,175	(70,018,997)	1,923,997
Net profit (loss) for year	Ps. 82,853,529	Ps. 326,175	Ps. 75,583,814	Ps. (70,639,352)	Ps. 88,124,166
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 82,853,529	Ps. 326,175	Ps. 67,927,923	Ps. (68,254,098)	Ps. 82,853,529
Non-controlling interest			(7,655,891)	2,385,254	(5,270,637)
Net profit (loss)	Ps. 82,853,529	Ps. 326,175	Ps. 75,583,814	Ps. (70,639,352)	Ps. 88,124,166
Other comprehensive income items:					
Effect of translation of foreign entities	Ps. 10,358,985	Ps. 2,235,365	Ps. 10,353,947	Ps. (12,486,690)	Ps. 10,461,607
Effect of fair value of derivatives, net of deferred taxes	(276,748)		(190,559)	149,709	(317,598)
Total other comprehensive income items for the period	10,082,237	2,235,365	10,163,388	(12,336,981)	10,144,009
Total comprehensive income for the period	Ps. 92,935,766	Ps. 2,561,540	Ps. 85,747,202	Ps. (82,976,333)	Ps. 98,268,175
Comprehensive income for the period attributable to:					
Equity holders of the parent	Ps. 92,935,766	Ps. 2,561,540	Ps. 80,414,793	Ps. (82,976,333)	Ps. 92,935,766
Non-controlling interests			5,332,409		5,332,409
	Ps. 92,935,766	Ps. 2,561,540	Ps. 85,747,202	Ps. (82,976,333)	Ps. 98,268,175

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>Condensed consolidating statements of income: For the year ended December 31, 2012</i>					
Total revenues	Ps. 158,576,797	Ps. 136,378,076	Ps. 618,561,116	Ps. (138,446,344)	Ps. 775,069,645
Total cost and operating expenses	<u>87,525,232</u>	<u>131,836,240</u>	<u>536,580,453</u>	<u>(138,182,467)</u>	<u>617,759,458</u>
Operating (loss) income	71,051,565	4,541,836	81,980,663	(263,877)	157,310,187
Interest (expense) income, net	(15,945,879)	(10,030,650)	6,836,011	2,522	(19,137,996)
Exchange (loss) gain, net	14,182,855	1,640,474	(8,428,175)		7,395,154
Other financing cost, net	(919,171)		(6,894,985)	3,818	(7,810,338)
Taxes on profits	16,473,632	442,558	29,462,501		46,378,691
Equity interest in net income of associated companies	<u>39,545,142</u>	<u>879,423</u>	<u>(3,411,474)</u>	<u>(36,251,730)</u>	<u>761,361</u>
Net profit (loss) for year	<u>Ps. 91,440,880</u>	<u>Ps. (3,411,475)</u>	<u>Ps. 40,619,539</u>	<u>Ps. (36,509,267)</u>	<u>Ps. 92,139,677</u>
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 91,440,880	Ps. (3,411,475)	Ps. 35,490,074	Ps. (32,078,599)	Ps. 91,440,880
Non-controlling interest			<u>5,129,465</u>	<u>(4,430,668)</u>	<u>698,797</u>
Net profit (loss)	<u>Ps. 91,440,880</u>	<u>Ps. (3,411,475)</u>	<u>Ps. 40,619,539</u>	<u>Ps. (36,509,267)</u>	<u>Ps. 92,139,677</u>
Other comprehensive income items:					
Effect of translation of foreign entities	Ps. (32,651,656)	Ps. (4,822,249)	Ps. (32,515,650)	Ps. 36,813,888	Ps. (33,175,667)
Effect of fair value of derivatives, net of deferred taxes	<u>(253,428)</u>		<u>(435,458)</u>	<u>449,722</u>	<u>(239,164)</u>
Total other comprehensive income items for the period	<u>(32,905,084)</u>	<u>(4,822,249)</u>	<u>(32,951,108)</u>	<u>37,263,610</u>	<u>(33,414,831)</u>
Total comprehensive income for the period	<u>Ps. 58,535,796</u>	<u>Ps. (8,233,724)</u>	<u>Ps. 7,668,431</u>	<u>Ps. 754,343</u>	<u>Ps. 58,724,846</u>
Comprehensive income for the period attributable to:					
Equity holders of the parent	<u>Ps. 58,535,796</u>	<u>Ps. (8,233,724)</u>	<u>Ps. 7,479,381</u>	<u>Ps. 754,343</u>	<u>Ps. 58,535,796</u>
Non-controlling interests			<u>189,050</u>		<u>189,050</u>
	<u>Ps. 58,535,796</u>	<u>Ps. (8,233,724)</u>	<u>Ps. 7,668,431</u>	<u>Ps. 754,343</u>	<u>Ps. 58,724,846</u>

Condensed Consolidating Statements of Cash Flows:

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>For the year ended December 31, 2010</i>					
Operating activities:					
Profit before taxes	Ps. 98,767,975	Ps. (827,498)	Ps. 143,920,558	Ps.(106,741,993)	Ps. 135,119,042
Non-cash items	(109,311,476)	9,438,536	104,928,291	106,729,121	111,784,472
Changes in working capital:	(71,545,454)	39,496,263	(14,109,221)	12,872	(46,145,540)
Net cash flows (used in) provided by operating activities	(82,088,955)	48,107,301	234,739,628		200,757,974
Investing activities:					
Acquisition of plant, property and equipment	(9,800,000)	(1,491,207)	(66,575,202)		(77,866,409)
Acquisition of licenses		(3,868,708)	(206,521)		(4,075,229)
Dividends received	61,525,499	3,300,000	8,871,250	(73,696,749)	
Acquisition of non-controlling Interest			(31,463,621)		(31,463,621)
Fixed asset sales			884,241		884,241
Net cash flows provided by (used in) investing activities	51,725,499	(2,059,915)	(88,489,853)	(73,696,749)	(112,521,018)
Financing activities:					
Bank loans, net	114,968,571		(83,015,282)		31,953,289
Acquisition of permanent Investments	(3,245,656)	(31,421,735)			(34,667,391)
Interest paid		(852,096)	(13,867,203)		(14,719,299)
Repurchase and others	(18,150,990)				(18,150,990)
Payment of dividends	(12,765,150)	(13,299,999)	(64,825,502)	73,696,749	(17,193,902)
Financial Instruments			826,850		826,850
Net cash flows (used in) provided by financing activities	80,806,775	(45,573,830)	(160,881,137)	73,696,749	(51,951,443)
Net (decrease) increase in cash and cash equivalents	50,443,319	473,556	(14,631,362)		36,285,513
Adjustment to cash flow for exchange rate differences			(113,581)		(113,581)
Cash and cash equivalents at beginning of the period	2,115,451	405,288	57,245,794		59,766,533
Cash and cash equivalents at end of the period	Ps. 52,558,770	Ps. 878,844	Ps. 42,500,851		Ps. 95,938,465

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
<i>For the year ended December 31, 2011</i>					
Operating activities:					
Profit before taxes	Ps. 91,938,656	Ps. 1,549,784	Ps. 105,464,007	Ps. (70,407,619)	Ps. 128,544,828
Non-cash items	(57,862,808)	13,623,630	113,896,923	69,791,121	139,448,866
Changes in working capital:	67,986,792	1,647,322	(145,007,404)	620,355	(74,752,935)
Net cash flows (used in) provided by operating activities	<u>102,062,640</u>	<u>16,820,736</u>	<u>74,353,526</u>	<u>3,857</u>	<u>193,240,759</u>
Investing activities:					
Acquisition of plant, property and equipment	(3,561,842)	(5,360,109)	(111,271,237)		(120,193,188)
Acquisition of licenses			(993,692)		(993,692)
Dividends received	80,074,790		1,379,999	(81,454,789)	
Acquisition of non-controlling interest	(123,626,353)	(991,358)	(1,279,701)	123,626,353	(2,271,059)
Fixed asset sales			38,312		38,312
Net cash flows provided by (used in) investing activities	<u>(47,113,405)</u>	<u>(6,351,467)</u>	<u>(112,126,319)</u>	<u>42,171,564</u>	<u>(123,419,627)</u>
Financing activities:					
Bank loans, net	61,811,634		(15,803,025)		46,008,609
Acquisition of permanent investments	(64,458,586)		(3,005,784)		(67,464,370)
Interest paid	(9,487,535)	(7,955,780)	(623,978)		(18,067,293)
Paid-In capital			123,626,353	(123,626,353)	
Repurchase and others	(52,368,010)		(1,358,774)		(53,726,784)
Payment of dividends Financial instruments	(13,807,550)	(1,379,999)	(83,306,363)	81,450,932	(17,042,980)
			3,158,678		3,158,678
Net cash flows (used in) provided by financing activities	<u>(78,310,047)</u>	<u>(9,335,779)</u>	<u>22,687,107</u>	<u>(42,175,421)</u>	<u>(107,134,140)</u>
Net (decrease) increase in cash and cash equivalents	(23,360,812)	1,133,490	(15,085,686)		(37,313,008)
Adjustment to cash flow for exchange rate differences			498,539		498,539
Cash and cash equivalents at beginning of the period	<u>52,558,770</u>	<u>878,844</u>	<u>42,500,851</u>		<u>95,938,465</u>
Cash and cash equivalents at end of the period	<u>Ps. 29,197,958</u>	<u>Ps. 2,012,334</u>	<u>Ps. 27,913,704</u>		<u>Ps. 59,123,996</u>

Condensed Consolidating Statements of Cash Flows:

	<u>Parent</u>	<u>Wholly-owned Guarantor Subsidiary</u>	<u>Combined non-guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
	<i>For the year ended December 31, 2012</i>				
Operating activities:					
Profit before taxes	Ps. 107,914,511	Ps. (2,968,915)	Ps. 70,082,039	Ps.(36,509,267)	Ps. 138,518,368
Non-cash items	(18,152,646)	13,469,502	92,470,548	36,255,587	124,042,991
Changes in working capital:	(142,895,497)	9,638,378	77,060,843	239,272	(55,957,004)
Net cash flows (used in) provided by operating activities	<u>(53,133,632)</u>	<u>20,138,965</u>	<u>239,613,430</u>	<u>(14,408)</u>	<u>206,604,355</u>
Investing activities:					
Acquisition of plant, property and equipment	17,060	(9,869,258)	(113,969,954)		(123,822,152)
Acquisition of licenses			(5,964,043)		(5,964,043)
Dividends received	26,421,133		(571,187)	(25,278,759)	571,187
Acquisition of non-controlling interest	(8,060,283)		(73,849,936)	8,060,283	(73,849,936)
Fixed asset sales			58,006		58,006
Net cash flows provided by (used in) investing activities	<u>18,377,910</u>	<u>(9,869,258)</u>	<u>(188,918,307)</u>	<u>(17,218,476)</u>	<u>(197,628,131)</u>
Financing activities:					
Bank loans, net	89,462,233		(46,721,960)		42,740,273
Acquisition of permanent investments	(10,871,455)		(181,219)		(11,052,674)
Interest paid	(12,868,552)	(7,036,101)	(1,425,138)		(21,329,791)
Paid-In capital			8,060,283	(8,060,283)	
Repurchase and others	(17,836,724)				(17,836,724)
Payment of dividends	(15,057,814)	(3,920,000)	(21,700,000)	25,293,167	(15,384,647)
Financial instruments			5,003,187		5,003,187
Net cash flows (used in) provided by financing activities	<u>32,827,688</u>	<u>(10,956,101)</u>	<u>(56,964,847)</u>	<u>17,232,884</u>	<u>(17,860,376)</u>
Net (decrease) increase in cash and cash equivalents	(1,928,034)	(686,394)	(6,269,724)		(8,884,152)
Adjustment to cash flow for exchange rate differences			(4,752,644)		(4,752,644)
Cash and cash equivalents at beginning of the period	<u>29,197,958</u>	<u>2,012,334</u>	<u>27,913,704</u>		<u>59,123,996</u>
Cash and cash equivalents at end of the period	<u>Ps. 27,269,924</u>	<u>Ps. 1,325,940</u>	<u>Ps. 16,891,336</u>		<u>Ps. 45,487,200</u>

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