PROSPECTUS SUPPLEMENT
(To the Listing Prospectus Dated September 23, 2015)

América Móvil, S.A.B. de C.V.

€850,000,000 1.500% Senior Notes due 2024
€650,000,000 2.125% Senior Notes due 2028

We are offering €850,000,000 aggregate principal amount of our 1.500% senior notes due 2024 (the "2024 notes") and €650,000,000 aggregate principal amount of our 2.125% senior notes due 2028 (the "2028 notes" and, together with the 2024 notes, the "notes").

We will pay interest on each series of notes on March 10 of each year, beginning on March 10, 2017. The 2024 notes will mature on March 10, 2024. The 2028 notes will mature on March 10, 2028.

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 outstanding notes of either series, in whole but not in part, at a price equal to 100% of their principal amount plus accrued interest thereon to the redemption date. We may redeem, in whole or in part, the notes of either series 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 Prospectus dated September 23, 2015 constitute a prospectus for the purpose of the Luxembourg Law dated July 10, 2005 on Prospectuses for Securities, as amended. This Prospectus Supplement and Prospectus dated September 23, 2015 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-7 of this prospectus supplement and page 4 of the accompanying prospectus.

	Price to Public(1)	Underwriting Discount	Price to Underwriters	Proceeds to América Móvil(1)
1.500% Senior Notes due 2024	99.530%	0.200%	99.330%	€844,305,000
2.125% Senior Notes due 2028	98.461%	0.250%	98.211%	€638,371,500

(1) Plus accrued interest, if any, from March 10, 2016.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*, OR "RNV") MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*, OR "CNBV"), AND MAY NOT BE OFFERED PUBLICLY IN MEXICO. WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO FOR INFORMATION AND STATISTICAL PURPOSES ONLY, AND THE DELIVERY OF SUCH NOTICE TO, AND THE RECEIPT THEREOF BY, THE CNBV IS NOT A REQUIREMENT FOR THE VALIDITY OF THE NOTES AND DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THE INFORMATION CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IS EXCLUSIVELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR WHO IS A RESIDENT OF MEXICO WILL BE MADE UNDER SUCH INVESTOR'S OWN RESPONSIBILITY.

None of the CNBV, the U.S. Securities and Exchange Commission (the "SEC") or any U.S. state or foreign 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 on March 10, 2016 in book-entry form through the facilities of Clearstream Banking, *société anonyme* ("Clearstream"), and Euroclear Bank S.A./N.V. ("Euroclear"), for the accounts of their direct and indirect participants.

Joint Book-Running Managers

Citigroup **HSBC** **Société Générale Corporate & Investment Banking**

Co-Managers

Barclays **BofA Merrill Lynch** **Crédit Agricole CIB** **Morgan Stanley**

The date of this prospectus supplement is March 21, 2016.

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

ANNEXES

We are responsible for the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and 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, Citigroup Global Markets 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 Citigroup Global Markets 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 Citigroup Global Markets 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 this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein before making an investment decision.

América Móvil

We provide telecommunications services in 25 countries. We are the leading telecommunications service provider in Latin America, ranking first in wireless, fixed-line, broadband and Pay TV services based on the number of revenue generating units ("RGUs"). Our largest operations are in Mexico and Brazil, and we also have major wireless, fixed-line or Pay TV operations in 17 other countries in the Americas and seven countries in Central and Eastern Europe. As of December 31, 2015, we had 285.5 million wireless subscribers and 80.8 million fixed RGUs.

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, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Delegación Miguel Hidalgo, 11529, Mexico City, México. Our telephone number is (5255) 2581-4449.

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	€850,000,000 aggregate principal amount of 1.500% Senior Notes due 2024.
	€650,000,000 aggregate principal amount of 2.125% Senior Notes due 2028.
Price to Public	99.530% of principal amount, plus accrued interest, if any, from March 10, 2016 for the 2024 notes.
	98.461% of principal amount, plus accrued interest, if any, from March 10, 2016 for the 2028 notes.
Issue Date	The notes will be issued on March 10, 2016.
Maturity Date	The 2024 notes will mature on March 10, 2024.
	The 2028 notes will mature on March 10, 2028.
Interest Rate	Interest on the 2024 notes will accrue at the rate of 1.500% per year from March 10, 2016.
	Interest on the 2028 notes will accrue at the rate of 2.125% per year from March 10, 2016.

Interest Payment Dates	Interest on each series of the notes will be payable on March 10 of each year, beginning on March 10, 2017.
Currency of Payment	All payments of principal of and premium, if any, and interest on the notes will be made in euro.
Calculation of Interest	Interest will be computed at a fixed rate on the basis of a 365-day year or 366-day year, as applicable, and the actual number of days elapsed.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated debt. The 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 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 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. As of December 31, 2015, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of (a) approximately Ps.579.3 billion (U.S.$33.7 billion) excluding guarantees of our subsidiaries’ indebtedness and (b) approximately Ps.585.8 billion (U.S.$34.0 billion) including guarantees of our subsidiaries’ indebtedness. As of December 31, 2015, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.103.9 billion (U.S.$6.0 billion).
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 of a series, issue additional notes on the same terms and conditions as the notes of that series (except for issue date, issue price and the date from which interest will accrue and, if applicable, the date on which interest will first be paid), which additional notes of that series will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes of that series.
Payment of Additional Interest	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 the accompanying prospectus. We will pay additional interest 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 Interest” in this prospectus supplement and “Description of Debt Securities—Payment of Additional Interest” in the accompanying prospectus.

Optional Redemption	We may redeem the notes of either series 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 interest on the notes of either series in excess of the additional interest attributable to a Mexican withholding tax rate of 4.9%, we may redeem the outstanding notes of that series, in whole but not in part, at any time, at a price equal to 100% of their principal amount plus accrued interest thereon to the redemption date.
Listing	Application has be made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. However, we will not be required to maintain such listing.
ISIN and Common Code	The ISIN for the 2024 notes is XS1379122101. The Common Code for the 2024 notes is 137912210. The ISIN for the 2028 notes is XS1379122523. The Common Code for the 2028 notes is 137912252.
Form and Denominations	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. 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.
Trustee, Security Registrar, 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 indentures 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 the notes should consider carefully all of the information included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, including, in particular, the information under "Risk Factors" in this prospectus supplement and the accompanying prospectus and under "Item 3—Key Information—Risk Factors" in our 2014 Form 20-F (as defined herein), incorporated by reference herein.

PRESENTATION OF FINANCIAL INFORMATION

This prospectus supplement incorporates by reference our audited consolidated financial statements as of December 31, 2013 and 2014 and for the years ended December 31, 2012, 2013 and 2014, which are included in our 2014 Form 20-F (as defined herein), and our unaudited interim condensed consolidated financial statements as of September 30, 2015 and for the three and nine months ended September 30, 2014 and 2015, which are included in our report on Form 6-K filed with the SEC on March 7, 2016. See "Incorporation of Certain Documents by Reference" in this prospectus supplement.

Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as of December 31, 2014. 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(a)(ii) to our audited consolidated financial statements describes how we translate the financial statements of our non-Mexican subsidiaries.

Our consolidated financial statements as of and for the year ended December 31, 2015 are not yet complete or available, and the independent audit of those financial statements has not yet been completed. This prospectus supplement includes certain preliminary financial information as of and for the year ended December 31, 2015, but that information is subject to change as we complete our financial closing procedures and prepare our consolidated financial statements for publication, and as our independent registered public accounting firm completes its audit of such consolidated financial statements. As of the date of this prospectus supplement, our independent registered public accounting firm has not expressed an opinion or any other form of assurance on any financial information as of or for the year ended December 31, 2015, or on our internal control over financial reporting as of December 31, 2015. Our audited consolidated financial statements as of and for the year ended December 31, 2015 may differ materially from this preliminary information and will also include notes providing extensive additional disclosures.

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 "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 rates indicated. Unless otherwise indicated, we have translated U.S. dollar amounts from Mexican pesos at the exchange rate of Ps.17.2605 to U.S.$1.00, which was the rate reported by *Banco de México* for December 31, 2015, as published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*). 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 March 7, 2016, incorporated by reference herein.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This prospectus supplement incorporates important information about us that is not included in or delivered with this 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, 2014, filed with the SEC on May 1, 2015 (SEC File No. 001-16269) (the "2014 Form 20-F");
- our report on Form 6-K, filed with the SEC on March 7, 2016 (SEC File No. 001-16269), containing our unaudited interim condensed consolidated financial statements as of September 30, 2015 and for the three and nine months ended September 30, 2014 and 2015;
- our report on Form 6-K, filed with the SEC on March 7, 2016 (SEC File No. 001-16269), containing a discussion of our results of operations for the years ended December 31, 2014 and 2015 and our financial position as of December 31, 2015 and certain recent developments;
- 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 offered by this prospectus supplement that are identified in such reports as being incorporated by reference in our Registration Statement on Form F-3 (SEC File No. 333-207092).

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, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Delegación Miguel Hidalgo, 11529, Mexico City, México, Attention: Investor Relations, telephone (5255) 2581-4449. Our 2014 Form 20-F and our Form 6-K, filed with the SEC on March 7, 2016 (SEC File No. 001-16269), will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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—Key Information—Risk Factors" in our 2014 Form 20-F, incorporated by reference in this prospectus supplement.

Risks Relating to Our Preliminary 2015 Financial Information

Our consolidated financial statements as of and for the year ended December 31, 2015 have not yet been completed or audited and, accordingly, the preliminary 2015 financial information included in this prospectus supplement is subject to change. This prospectus supplement includes certain preliminary financial information as of and for the year ended December 31, 2015, but that information is subject to change as we complete our financial closing procedures and prepare our consolidated financial statements for publication, and as our independent registered public accounting firm completes its audit of such consolidated financial statements. As of the date of this prospectus supplement, our independent registered public accounting firm has expressed no opinion or any other form of assurance on any financial information as of or for the year ended December 31, 2015, or on our internal control over financial reporting as of December 31, 2015. Our audited financial statements for such period may differ materially from this preliminary information and will also include notes providing extensive additional disclosures.

For a discussion of our results of operations for the years ended December 31, 2015 and 2014 and our financial condition as of December 31, 2015, see our report on Form 6-K, filed with the SEC on March 7, 2016, incorporated by reference herein.

EXCHANGE RATES

The following table sets forth, for the periods indicated, the high, low, average and period-end noon buying rates in New York City for cable transfers payable in euro published by the Board of Governors of the Federal Reserve System expressed in U.S. dollars per euro. 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.

Period	High	Low	Average(1)	Period End
2011	1.4536	1.1959	1.3216	1.3269
2012	1.4875	1.2926	1.3995	1.2973
2013	1.3463	1.2062	1.2859	1.3186
2014	1.3927	1.2101	1.3297	1.2101
2015	1.2015	1.0524	1.1096	1.0859
September	1.1358	1.1104	1.1229	1.1162
October	1.1437	1.0963	1.1228	1.1042
November	1.1026	1.0562	1.0727	1.0562
December	1.1025	1.0573	1.0889	1.0859
2016				
January	1.0964	1.0743	1.0856	1.0832
February	1.1362	1.0888	1.1062	1.0868
March (through March 4)	1.1010	1.0845	1.0913	1.1010

(1) Average of month-end rates.

The noon buying rate published by the Board of Governors of the Federal Reserve System on March 4, 2016 (the latest practicable date prior to the date hereof), was U.S.$1.1010 to €1.00.

USE OF PROCEEDS

The net proceeds from the sale of the notes, after payment of the underwriting discount and transaction expenses, are expected to be approximately €1,482 million (or approximately Ps.28,989 million calculated using the exchange rate of Ps.19.5560 to €1.00 as of March 7, 2016). 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 December 31, 2015 and as adjusted to reflect the issuance and sale of the notes, but not the application of the net proceeds of the offering.

U.S. dollar amounts in the table are presented solely for your convenience using the exchange rate of Ps.17.2065 to U.S.$1.00, which was the rate reported by *Banco de México* for December 31, 2015, for the settlement of obligations in foreign currencies.

	As of December 31, 2015			
	Actual		As Adjusted[1]	
	(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:				
Bank loans	Ps. 39,488	U.S.$ 2,295	Ps. 39,488	U.S.$ 2,295
2.375% Senior Notes due 2016	34,138	1,984	34,138	1,984
Floating Rate Senior Notes due 2016	12,905	750	12,905	750
5.625% Notes due 2017	10,033	583	10,033	583
5.000% Senior Notes due 2019	12,905	750	12,905	750
5.500% Senior Notes due 2019	6,492	377	6,492	377
5.000% Senior Notes due 2020	36,561	2,125	36,561	2,125
3.125% Senior Notes due 2022	27,531	1,600	27,531	1,600
6.375% Notes due 2035	16,885	981	16,885	981
6.125% Notes due 2037	6,353	369	6,353	369
6.125% Senior Notes due 2040	34,413	2,000	34,413	2,000
4.375% Senior Notes due 2042	19,788	1,150	19,788	1,150
Total	Ps. 257,492	U.S.$ 14,964	Ps. 257,492	U.S.$ 14,964
Denominated in Mexican pesos:				
Bank loans	Ps. 2,632	U.S.$ 153	Ps. 2,632	U.S.$ 153
Domestic senior notes *(certificados bursátiles)*	22,911	1,332	22,911	1,332
8.75% Senior Notes due 2016	4,500	262	4,500	262
9.00% Senior Notes due 2016	5,000	291	5,000	291
6.000% Senior Notes due 2019	10,000	581	10,000	581
6.45% Senior Notes due 2022	22,500	1,308	22,500	1,308
7.125% Senior Notes due 2024	11,000	639	11,000	639
8.46% Senior Notes due 2036	7,872	458	7,872	458
Total	Ps. 86,415	U.S.$ 5,024	Ps. 86,415	U.S.$ 5,024

(Table continued on next page)

	As of December 31, 2015			
	Actual		As Adjusted[1]	
	(millions of Mexican pesos)	(millions of U.S. dollars)	(millions of Mexican pesos)	(millions of U.S. dollars)
	(unaudited)			
Denominated in euro:				
Bank loans	Ps. 6,637	U.S.$ 386	Ps. 6,637	U.S.$ 386
6.375% Senior Notes due 2016	15,406	895	15,406	895
3.75% Senior Notes due 2017	18,683	1,086	18,683	1,086
4.25% Senior Notes due 2017	10,269	597	10,269	597
1.00% Senior Notes due 2018	11,210	651	11,210	651
4.125% Senior Notes due 2019	18,683	1,086	18,683	1,086
0.00% Exchangeable Bonds due 2020	52,735	3,065	52,735	3,065
3.00 % Senior Notes due 2021	18,683	1,086	18,683	1,086
3.125% Senior Notes due 2021	15,406	895	15,406	895
4.75% Senior Notes due 2022	14,012	814	14,012	814
4.00% Senior Notes due 2022	15,406	895	15,406	895
3.259% Senior Notes due 2023	14,012	814	14,012	814
3.50% Senior Notes due 2023	6,161	358	6,161	358
1.500% Senior Notes due 2024 offered hereby[1]	—	—	15,880	923
2.125% Senior Notes due 2028 offered hereby[1]	—	—	12,144	706
Euro NC5 (Euro Series A) Capital Securities due 2073	16,815	977	16,815	977
Euro NC10 (Euro Series B) Capital Securities due 2073	10,276	597	10,276	597
Total	Ps. 244,394	U.S.$ 14,202	Ps. 272,418	U.S.$15,831
Denominated in pounds sterling:				
5.00% Senior Notes due 2026	Ps. 12,671	U.S.$ 736	Ps. 12,671	U.S.$ 736
5.75% Senior Notes due 2030	16,472	957	16,472	957
4.948% Senior Notes due 2033	7,603	442	7,603	442
4.375% Senior Notes due 2041	19,006	1,105	19,006	1,105
GBP NC7 Capital Securities due 2073	13,938	810	13,938	810
Total	Ps. 69,690	U.S.$ 4,050	Ps. 69,690	U.S.$ 4,050
Denominated in Swiss francs:				
2.00% Senior Notes due 2017	Ps. 4,638	U.S.$ 270	Ps. 4,638	U.S.$ 270
1.13% Senior Notes due 2018	9,447	549	9,447	549
Total	Ps. 14,085	U.S.$ 819	Ps. 14,085	U.S.$ 819
Denominated in Japanese yen:				
1.53% Senior Notes due 2016	Ps. 730	U.S.$ 43	Ps. 730	U.S.$ 43
2.95% Senior Notes due 2039	1,861	108	1,861	108
Total	Ps. 2,591	U.S.$ 151	Ps. 2,591	U.S.$ 151
Denominated in Colombian pesos	Ps. 2,459	U.S.$ 143	Ps. 2,459	U.S.$ 143
Denominated in Brazilian reais	2,752	160	2,752	160
Denominated in other currencies	3,339	194	3,339	194
Total debt	Ps. 683,217	U.S.$ 39,707	Ps. 711,241	U.S.$41,336
Less short-term debt and current portion of long-term debt	118,708	6,899	118,708	6,899
Total long-term debt	Ps. 564,509	U.S.$ 32,808	Ps. 592,533	U.S.$34,437
Equity:				
Capital stock	96,338	5,599	96,338	5,599
Total retained earnings	172,331	10,015	172,331	10,015
Other comprehensive income (loss) items	(156,392)	(9,089)	(156,392)	(9,089)
Non-controlling interest	48,576	2,823	2,823	2,823
Total equity	160,854	9,348	160,854	9,348
Total capitalization (total long-term debt plus equity)	Ps. 725,363	U.S.$ 42,156	Ps. 753,387	U.S.$43,785

(1) The Mexican peso amount in the "as adjusted" column was calculated by translating euro to U.S. dollars using the exchange rate of U.S.$1.0858 to €1.00 published by Bloomberg for December 31, 2015, and from U.S. dollars to Mexican pesos using the exchange rate of Ps.17.2065 to U.S.$1.00 reported by *Banco de México* for December 31, 2015, as published in the Official Gazette.

As of December 31, 2015, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of (a) approximately Ps.579.3 billion (U.S.$ 33.7 billion) excluding guarantees of our subsidiaries' indebtedness and (b) approximately Ps.585.8 billion (U.S.$34.0 billion) including guarantees of our subsidiaries' indebtedness. As of December 31, 2015, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.103.9 billion (U.S.$6.0 billion).

In September 2015, we issued €750 million principal amount of our mandatory exchangeable bonds. These may be settled in cash, at our option, or exchanged into ordinary shares of Koninklijke KPN N.V. ("KPN"). The interest rate on the bonds is 5.5% per year, payable quarterly in arrears, in addition to additional interest corresponding to 85% of the gross cash dividends and distributions received by holders of the underlying KPN shares. The reference exchange price of the underlying shares was set at €3.33 per share and capped at a maximum of €4.25 per share. We have placed 224,726 million KPN ordinary shares in an irrevocable trust in favor of the bonds' trustee, to cover the exchange at the bonds' maturity. As a result, we have derecognized a portion of our investment in KPN, corresponding to those shares placed in the trust and do not recognize the bonds within our long-term obligations.

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 Indentures

The notes will be issued under a base indenture, dated as of June 28, 2012, and supplemental indentures relating to each series of notes. References to the "indenture" are to the base indenture as supplemented by the supplemental indentures relating to each series of 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 2024 notes offered hereby will be €850,000,000. The 2024 notes will mature on March 10, 2024. The 2024 notes will bear interest at a rate of 1.500% per year from March 10, 2016.

The aggregate principal amount of the 2028 notes offered hereby will be €650,000,000. The 2028 notes will mature on March 10, 2028. The 2028 notes will bear interest at a rate of 2.125% per year from March 10, 2016.

Interest on each series of the notes will be payable on March 10 of each year, beginning on March 10, 2017, to the holders in whose names the notes are registered at the close of business on the last day on which Clearstream and Euroclear are open for business immediately preceding the related interest payment date.

We will pay interest on each series of 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 at a fixed rate on the basis of a 365-day year or 366-day year, as applicable, and the actual number of days elapsed.

"Business day" means each Target System Day. A "Target System Day" is any day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) is open for business and a day on which commercial banks are open for dealings in euro deposits in the London interbank market.

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 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.

Form and Denominations

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.

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.

Further Issues

We reserve the right, from time to time without the consent of holders of the notes, to issue additional notes of a series on terms and conditions identical to those of the notes of that series (except for issue date, issue price and the date from which interest will accrue and, if applicable, the date on which interest will 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 of that series.

Payment of Additional Interest

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 and "Supplemental Mexican Tax Considerations" in this prospectus supplement.

Subject to the limitations and exceptions described in "Description of Debt Securities—Payment of Additional Interest" in the accompanying prospectus, we will pay to holders of the notes all additional interest 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 Interest" 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 interest that may be payable in accordance with the provisions described under "Description of Debt Securities—Payment of Additional Interest" 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 Bund Rate plus 0.250% (25 basis points), in case of the 2024 notes, and plus 0.300% (30 basis points), in the case of the 2028 notes (in each case, the "make-whole" amount) plus, in each case, accrued interest on the principal amount of the notes being redeemed to the redemption date.

"Bund Rate" means, as of any redemption date, the rate per annum equal to the yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date.

"Comparable German Bund Issue" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal 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 euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the notes to be redeemed and of a maturity most nearly equal to the remaining term of the notes to be redeemed; *provided, however*, that, if the remaining term of the notes to be redeemed is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the remaining term of the notes to be redeemed is less than one year, a fixed maturity of one year shall be used.

"Comparable German Bund Price" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations.

"Reference German Bund Dealer" means each of Citigroup Global Markets Limited, HSBC Bank plc and Société Générale or their affiliates, which are dealers of German Bundesanleihe securities and one other leading dealer of German Bundesanleihe securities reasonably designated by us; *provided, however*, that if any of the foregoing shall cease to be a dealer of German Bundesanleihe securities, we will substitute therefor another dealer of German Bundesanleihe securities.

"Reference German Bund Dealer Quotation" means, with respect to each Reference German Bund Dealer and any redemption date, the average, as determined by the issuer, of the bid and asked prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference German Bund Dealer at 3:30 p.m. (Frankfurt, Germany 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 of either series upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional interest on the notes of that series in respect of withholding taxes at a rate in excess of 4.9%, in which case we may redeem the outstanding notes of that series, 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 thereon 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.

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.

SUPPLEMENTAL EUROPEAN UNION TAX CONSIDERATIONS

European Union Savings Directive and Directive on Administrative Cooperation in the Field of Taxation

Under Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”), each member state of the European Union (each a “Member State”) was required to provide to the tax authorities of another such Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. The Savings Directive was, however, repealed with effect from January 1, 2016 in the case of Member States other than Austria and from January 1, 2017 in the case of Austria.

Austria will, until January 1, 2017 (unless during such period it elects otherwise), operate a withholding system in relation to such payments instead of an information reporting system. The rate of withholding is 35%. However, the beneficial owner of the interest (or similar income) payment may elect that certain provision of information procedures should be applied instead of withholding, provided that certain conditions are met.

The repeal of the Savings Directive is to prevent overlap with the new mandatory automatic exchange of financial account information being implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended) (the “DAC”). The DAC is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

If a payment under a note were to be made and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive, neither we nor any other person would be obliged to pay additional amounts under the terms of such note as a result of the imposition of such withholding tax.

Investors who are in any doubt as to their position should consult their professional advisers.

The Proposed Financial Transactions Tax (“FTT”)

The European Commission has published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia, and Spain (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT remains subject to negotiation between participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the notes are advised to seek their own professional advice in relation to the FTT.

United Kingdom Provision of Information Requirements

The comments below are of a general nature and are based on current United Kingdom ("UK") tax law as applied in England and Wales and published practice of HM Revenue & Customs ("HMRC"), the UK tax authorities. Such law may be repealed, revoked or modified and such practice may not bind HMRC and/or may change (in each case, possibly with retrospective effect), resulting in UK tax consequences different from those discussed below. The comments below deal only with UK rules relating to information that may need to be provided to HMRC in connection with the notes. They do not deal with any other UK tax consequences of acquiring, owning or disposing of the notes. Each prospective investor should seek advice based on its particular circumstances from an independent tax adviser.

Information relating to the notes may be required to be provided to HMRC in certain circumstances pursuant to certain domestic and international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the notes, amounts paid or credited with respect to the notes, details of the holders or beneficial owners of the notes (or the persons for whom the notes are held), details of the persons who exercise control over entities that are, or are treated as, holders of the notes, details of the persons to whom payments derived from the notes are or may be paid and information and documents in connection with transactions relating to the notes. Information may be required to be provided by, amongst others, the issuer, the holders of the notes, persons by or through whom payments derived from the notes are made or credited or who receive such payments (or who would be entitled to receive such payments if they were made), persons who effect or are a party to transactions relating to the notes on behalf of others and certain registrars or administrators. Accordingly, in order to enable these requirements to be met, holders of the notes may be required to provide information. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

SUPPLEMENTAL MEXICAN TAX CONSIDERATIONS

The paragraph below amends and replaces the third paragraph under "Taxation—Mexican Tax Considerations—Payments of Interest, Principal and Premium in Respect of the Debt Securities" to reflect changes in the applicable regulations.

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 provides the information required under the applicable tax regulations.

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, severally and not jointly, the principal amounts of each series of notes set forth below.

Underwriters	Principal Amount of 2024 Notes	Principal Amount of 2028 Notes
Citigroup Global Markets Limited	€ 238,000,000	€ 182,000,000
HSBC Securities (USA) Inc.	238,000,000	182,000,000
Société Générale	238,000,000	182,000,000
Barclays Bank PLC	34,000,000	26,000,000
Crédit Agricole Corporate and Investment Bank	34,000,000	26,000,000
Merrill Lynch International	34,000,000	26,000,000
Morgan Stanley & Co. International plc	34,000,000	26,000,000
Total	€ 850,000,000	€ 650,000,000

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.$350,000.

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, we will not be required to maintain such listing.

The underwriters intend to make a secondary market for the notes. The underwriters are, however, not obligated to do so and may discontinue making a secondary market for the notes at any time without notice. We can provide no assurances concerning the actual future trading market, we believe that the market-making activities will contribute to the liquidity of the trading market for the notes.

We have agreed to indemnify the underwriters against 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, Citigroup Global Markets 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 Citigroup Global Markets 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

In relation to each Member State of the European Economic Area, no offer of notes which are the subject of this prospectus supplement has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

1. to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
2. to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), subject to obtaining the prior consent of the underwriters 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 referred to in 1. through 3. above shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of notes in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to any notes in any 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 the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restriction set out below.

United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, The Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, The Laws of Hong Kong), or which do not constitute an offer to the public within the meaning of the Companies Ordinance, 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 securities laws of Hong Kong) other than with respect to the 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 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 have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying 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 Securities Section (*Sección de Valores*) of the National Securities Registry (*Registro Nacional de Valores*) 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.

Republic of Italy

The offering of the notes has not been registered pursuant to Italian securities legislation and, accordingly, no notes may be offered, sold or delivered, nor may copies of this prospectus supplement, the accompanying prospectus or of any other document relating to the notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("Regulation No. 11971"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the notes or distribution of copies of this prospectus supplement, the accompanying prospectus or any other document relating to the notes in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1st September 1993, as amended (the "Banking Act");

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of notes in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or other Italian Authority.

Any investor purchasing the notes is solely responsible for ensuring that any offer or resale of the notes by such investor occurs in compliance with applicable laws and regulations.

Austria

The information in this prospectus supplement does not constitute a public offering (*öffentliches Angebot*) to investors in Austria and must not be used in conjunction with a public offering pursuant to the Austrian Capital Market Act (*Kapitalmarktgesetz*) in Austria. No prospectus pursuant to the Austrian Capital Market Act (*Kapitalmarktgesetz*) has been or will be approved (*gebilligt*) by or notified (*notifiziert*) to the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) and no such prospectus has been or will be published in Austria in any way which would constitute a public offering under Austrian law (whether presently or in the future), nor has or will such prospectus be deposited with the filing office (*Meldestelle*) of *Oesterreichische Kontrollbank AG*. As no public offering will be made in Austria, no prospectus is required in accordance with Directive 2003/71/EC.

The information in the offer materials (*e.g.*, prospectus supplement and prospectus) is being made available in Austria for the sole purpose of providing information about the securities described herein solely to qualified investors or investors recognized as eligible counterparties (who have not requested to be treated as non-professional client) as defined in §1/1/5a of the Austrian Capital Market Act (*Kapitalmarktgesetz*) ("Qualified Investors"). The information contained in the offer materials is being made available on the condition that it is solely for the use of the recipient as a Qualified Investor in Austria and may not be passed on to any other person or reproduced in whole or in part.

Consequently, the notes are not authorized for public offering under the Austrian Capital Markets Act (*Kapitalmarktgesetz*) and no public offers or public sales or invitation to make such an offer may be made. No advertisements may be published and no marketing materials may be made available or distributed in Austria in respect of the notes. A public offering of the notes in Austria without the prior publication of a prospectus in accordance with the Austrian Capital Market Act would constitute a criminal offense under Austrian law.

Belgium

The offer and sale of the notes do not constitute a public offering within the meaning of Article 3, §2 of the Belgian Law of June 16, 2006 on public offering of securities and admission of securities to trading on a regulated market (the "Prospectus Law"). The offer and sale of the notes is being exclusively conducted under applicable private placement exemptions and has therefore not been, and will not be, notified to, and any other offer material relating to the offer and sale of the notes has not been, and will not be, approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*).

Accordingly, the offer and sale of the notes as well as any materials relating to the offer and sale of the notes may only be advertised, offered or distributed in any way, directly or indirectly, to any persons located and/or resident in Belgium if the nominal value of each note is at least €100,000 in accordance with Article 3, §2, d) of the Prospectus Law, or in other circumstances which do not constitute a public offering in Belgium pursuant to the Prospectus Law.

Denmark

This prospectus supplement does not constitute a prospectus under Danish law and has not been filed with or approved by the Danish Financial Supervisory Authority as this prospectus supplement has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued pursuant thereto. Accordingly, this prospectus supplement may not be made available to any other person in Denmark nor may the notes otherwise be marketed and offered for sale in Denmark other than in circumstances which are exempt from the requirement to publish a prospectus in Denmark.

Finland

This prospectus supplement does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. The notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances which would constitute a public offering of securities under Finnish law. Any offer or sale of the notes in Finland shall be made pursuant to a private placement exemption as defined under European Council Directive 2003/71/EC, Article 3(2) and the Finnish Securities Market Act (1989/495, as amended) and any regulation there under. This prospectus supplement has not been approved by or notified to the Finnish Financial Supervisory Authority.

France

No prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the notes that has been approved by the French *Autorité des marchés financiers* or by the competent authority of another state that is a contracting party to the Agreement on the EEA and notified to the French *Autorité des marchés financiers* and to Mexico; no notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the materials relating to the notes have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) other than individuals investing for their own account, as defined in Articles L. 411-2 and D. 411-1, of the French *Code monétaire et financier*. The direct or indirect distribution to the public in France of any so acquired notes may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

Germany

No action has been or will be taken in the Federal Republic of Germany that would permit a public offering of the notes, or distribution of a prospectus or any other offer materials and that, in particular, no securities prospectus (*Wertpapierprospekt*) within the meaning of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) of June 22, 2005, as amended (the "German Securities Prospectus Act"), has been or will be published within the Federal Republic of Germany.

Each of the managers represents, agrees and undertakes that: (i) it has not offered, sold or delivered and will not offer, sell or deliver any notes in the Federal Republic of Germany otherwise than in accordance with provisions of the German Securities Prospectus Act; and (ii) that it will not distribute in the Federal Republic of Germany any offer material relating to the notes to the public and only under circumstances that will result in compliance with the applicable rules and regulations of the Federal Republic of Germany.

Luxembourg

This prospectus supplement has been prepared on the basis that the offer and sale of the notes will be made pursuant to an exemption under Article 3 of the Prospectus Directive from the requirement to produce a prospectus for offers of securities.

Netherlands

In the Netherlands, the notes may not be offered or sold, directly or indirectly, other than to qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Norway

This offer of the notes and the related materials do not constitute a prospectus under Norwegian law and have not been filed with or approved by the Norwegian Financial Supervisory Authority, the Oslo Stock Exchange or the Norwegian Registry of Business Enterprises, as the offer of the notes and the related materials have not been prepared in the context of a public offering of securities in Norway within the meaning of the Norwegian Securities Trading Act or any Regulations issued pursuant thereto. The offer of the notes will only be directed to qualified investors as defined in the Norwegian Securities Regulation section 7-1 or in accordance with other relevant exceptions from the prospectus requirements. Accordingly, the offer of the notes and the related materials may not be made available to the public in Norway nor may the offer of the notes otherwise be marketed and offered to the public in Norway.

Spain

Neither the offer of the notes nor this prospectus supplement have been approved or registered in the administrative registries of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Consequently, the notes may not be offered in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of Article 30bis of the Spanish Securities Market Law of 28 July 1988 (Ley 24/1988, de 28 de julio, del Mercado de Valores), and such a non-public offer being made in accordance with said provision, as amended and restated, and supplemental rules enacted, or otherwise in reliance of an exemption from registration available thereunder.

Switzerland

The offer and sale of the notes is made in Switzerland on the basis of a private placement, not as a public offering. This prospectus supplement is not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus supplement nor any other offering or marketing material relating to the offer of the notes or the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this prospectus supplement nor any other offering or marketing material relating to the offer of the notes or the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Peru

The notes and the information contained in this prospectus supplement have not been and will not be registered with or approved by the Peruvian Capital Markets Superintendency (*Superintendencia del Mercado de Valores*) or the Lima Stock Exchange. Accordingly, the notes cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among others, that any particular offer may qualify as private if it is directed exclusively to institutional investors.

Chile

In Chile, the offer of the notes will begin on March 7, 2016, and is governed by the NCG 336 of June 27, 2012, issued by the Chilean Superintendency of Securities and Insurance (“SVS”). The offer relates to securities not registered with the Securities Registry or the Registry of Foreign Securities of the SVS, so the notes are not subject to the oversight of the SVS. Since the notes are unregistered securities in Chile, we have no obligation to deliver in Chile public information regarding the notes. The notes may not be sold in a public offering in Chile until they are registered in the Securities Registry or the Registry of Foreign Securities of the SVS.

En Chile, la oferta de los valores comienza el 7 de marzo de 2016 y está acogida a la NCG 336 de fecha 27 de junio de 2012 de la Superintendencia de Valores y Seguros de Chile (“SVS”). La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que los valores no están sujetos a la fiscalización de dicho organismo. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Estos valores no pueden ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente de la SVS.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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 may routinely hedge their credit exposure to us consistent with their 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.

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 Greenberg Traurig, S.C., Mexican counsel to the underwriters.

EXPERTS

Our consolidated financial statements appearing in our 2014 Form 20-F, and the effectiveness of América Móvil, S.A.B. de C.V.'s internal control over financial reporting as of December 31, 2014, have been audited by Mancera, S.C., a member practice of Ernst & Young Global Limited, 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. Application has been made to have the notes admitted for listing on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

2. The notes have been accepted for clearance and settlement through Euroclear and Clearstream. The ISIN number and the Common Code for the notes is as follows:

	ISIN Number	Common Code
1.500% Senior Notes due 2024	XS1379122101	137912210
2.125% Senior Notes due 2028	XS1379122523	137912252

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 September 8, 2015 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, 2015, 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, 2014 and 2013 and for the years ended December 31, 2014 and 2013;
    - our interim financial data for the year ended December 31, 2015;
    - our unaudited interim condensed consolidated financial statements as of September 30, 2015 and for the three and nine months ended September 30, 2015 and 2014; and
    - 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 do not prepare non-consolidated financial statements.

During the same period, the indenture, the additional notes supplement, 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 Ampliación Granada, Delegación Miguel Hidalgo, 11529, Mexico City, México. We were incorporated on September 29, 2000. Our corporate purpose, as stated in Article Three 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.96,383 million as of December 31, 2014. The total issued and outstanding shares as of December 31, 2014 was Ps.68,150 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 2014 Form 20-F.

PROSPECTUS

AMÉRICA MÓVIL, S.A.B. DE C.V.

DEBT SECURITIES

WARRANTS

We may from time to time offer debt securities or warrants to purchase debt securities. 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.

September 23, 2015

TABLE OF CONTENTS

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 or warrants to purchase debt securities.

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 our commercial, operating or financial performance, our financing, our capital structure or our other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to acquisitions, competition and rates;
- statements concerning regulatory developments;
- statements about our future economic performance or that of Mexico or other countries in which we operate;
- statements about competitive developments in the telecommunications sector;
- other descriptions of factors and trends affecting the telecommunications industry generally and our financial condition in particular; and
- statements of assumptions underlying the statements described above.

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. Some of these factors 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. They include economic and political conditions and government policies in the countries in which we operate, 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. You should evaluate any statements made by us in light of these important factors.

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.

AMÉRICA MÓVIL

América Móvil provides telecommunications services in 25 countries. América Móvil is a leading telecommunications service provider in Latin America. Our largest operations are in Mexico and Brazil, and we also have major wireless, fixed-line or Pay TV operations in 16 other countries in Latin America and seven countries in Central and Eastern Europe. As of June 30, 2015, we had 288.8 million wireless subscribers and 78.9 million fixed revenue generating units.

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, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, 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. 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-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 Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), 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 Law on Commercial Reorganization (*Ley de Concursos Mercantiles*), if we were declared bankrupt or in bankruptcy reorganization (*concurso mercantil*), our obligations under our debt securities:

- would be converted into Mexican pesos and then from Mexican pesos into inflation-adjusted units, called *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.

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 will together 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 separately to each 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.

Our debt securities 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 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, if none has been paid or made available for payment, from the issue date, 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. *(Section 309)*

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 depositary as in effect from time to time. *(Section 1002)* Under those procedures, we will make payments directly to the depositary, 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 depositary 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, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day. *(Section 114)*

"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 Interest

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 interest 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 interest is, however, subject to several important exceptions. We will not pay additional interest 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 a 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 interest 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 interest 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 interest described in the second bullet point above will not apply if the provision of information, documentation or other evidence described in that 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 interest described in the second bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in that 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 interest. 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 interest actually paid with respect to the debt securities pursuant to the preceding paragraphs is 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 interest 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 of any series are issued, we would be obligated, after taking such measures as we may consider reasonable to avoid this requirement, to pay additional interest in excess of the additional interest attributable to a Mexican withholding tax rate of 4.9% with respect to the debt securities of that series (see "—Payment of Additional Interest" and "Taxation—Mexican Tax Considerations"), then, at our option, all, but not less than all, of the debt securities of that series 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 interest 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 such additional interest if a payment on the debt securities of that series were then due and (2) at the time such notice of redemption is given such obligation to pay such additional interest 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 interest 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 interest 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 interest will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional interest 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 interest;
- 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 interest) 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.

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 depositary 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 depositary for the global securities and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary 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 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 DTC.

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 depositary 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 out 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, depositary and custodial links among themselves and others, either directly or through custodians and depositaries. 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 depositary and custodial relationships; its customers include worldwide securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other professional financial intermediaries; its U.S. customers are limited to securities brokers and dealers and banks; and indirect access to the Clearstream 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 Financiére*) 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 depositary. 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 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 depositary 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 depositary 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 prospectus (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 interest to the holders of debt securities in respect of the Mexican withholding taxes mentioned above. If we pay additional interest in respect of such Mexican withholding taxes, any refunds of such additional interest will be for our account. See “Description of Debt Securities—Payment of Additional Interest.”

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 interest may be limited as set forth under “Description of Debt Securities—Payment of Additional Interest.”

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 U.S. 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 of that series, 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 summary does not address the Medicare tax on net investment income. 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. 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 Interest

Payments of the gross amount of interest and additional interest (as defined in “Description of Debt Securities—Payment of Additional Interest”) 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, cash method U.S. holders will report interest on the debt security when it is received or unconditionally made available for receipt, and accrual method U.S. holders will report stated interest as it accrues.

In the case of debt securities denominated in a currency other than the U.S. dollar (a "foreign currency debt security"), the amount of interest income realized by a cash method U.S. holder will be the U.S. dollar value of the foreign currency payment based on the exchange rate in effect on the date of receipt, regardless of whether the payment in fact is 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. An accrual method U.S. holder will accrue interest income on a foreign currency debt security 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), or, at the accrual method U.S. holder's election, 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 such an election 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, as the case may be, on the receipt of an interest payment made with respect to a foreign currency debt security if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss, and will not be treated as an adjustment to interest income received on a foreign currency debt security. Foreign currency gain or loss recognized by a U.S. holder generally will be U.S.-source gain or loss.

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 interest 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 interest.

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 interest 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.

In the case of a foreign currency debt security, a U.S. holder's amount realized generally will be the U.S. dollar value of any foreign currency received, calculated at the exchange rate in effect on the date the foreign currency debt security is sold or otherwise disposed of, and its adjusted tax basis in the foreign currency debt security generally will be the U.S. dollar value of the purchase price for that security on the date of purchase. If the foreign currency debt securities of a series are traded on an established securities market, however, a cash method U.S. holder (and, if it so elects, an accrual method U.S. holder) will determine its adjusted basis in, or amount realized on, a foreign currency debt security of that series by translating the amount paid or received at the spot rate of exchange on the settlement date of the purchase or disposition of the foreign currency debt security, respectively. The election available to accrual method U.S. holders in respect of the purchase and disposition of foreign currency debt securities traded on an established securities market must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as described below with respect to foreign currency gain or loss, gain or loss realized by a U.S. holder on the sale or other taxable disposition of the debt securities 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.

Gain or loss realized by a U.S. holder on the sale or other taxable disposition of a foreign currency debt security generally will be treated as foreign currency gain or loss with respect to the principal amount of such security, which will be taxable as ordinary income or loss, to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such foreign currency debt security. The foreign currency gain or loss will not be treated as an adjustment to interest income received on the debt security. In addition, upon the sale or other taxable disposition of a foreign currency debt security, 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 security.

Capital gain or loss (and in the case of foreign currency debt securities, foreign currency gain or loss) recognized by a U.S. holder on the sale or other taxable disposition of the debt securities 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.

Foreign Currency Debt Securities and Reportable Transactions

A U.S. holder that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss from foreign currency debt securities as a reportable transaction if the loss exceeds $50,000 in a single taxable year if the U.S. holder is an individual or trust, or higher amounts for other U.S. holders. In the event the acquisition, ownership or disposition of the foreign currency debt securities constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of foreign currency 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 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 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.

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 reallowed 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 reallowed 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.

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. and its subsidiaries appearing in its annual report on Form 20-F for the year ended December 31, 2014, and the effectiveness of América Móvil, S.A.B. de C.V.'s internal control over financial reporting as of December 31, 2014, have been audited by Mancera, S.C., a member practice of Ernst & Young Global Limited, 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, 2014, filed with the SEC on May 1, 2015 (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, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Delegación Miguel Hidalgo, 11529, México D.F., México, Attention: Investor Relations, telephone (5255) 2581-4449.

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FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this report 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 our commercial, operating or financial performance, our financing, our capital structure or our other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to acquisitions, competition and rates;
- statements concerning regulatory developments;
- statements about our future economic performance or that of Mexico or other countries in which we operate;
- statements about competitive developments in the telecommunications sector;
- other descriptions of factors and trends affecting the telecommunications industry generally and our financial condition in particular; and
- statements of assumptions underlying the statements described above.

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. Some of these factors are discussed under "Risk Factors" in our 2014 Form 20-F. They include economic and political conditions and government policies in the countries in which we operate, inflation rates, exchange rates, regulatory developments, technological improvements, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

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.

AMÉRICA MÓVIL

We provide telecommunications services in 25 countries or territories. We are the leading telecommunications service provider in Latin America, ranking first in wireless, fixed-line, broadband and Pay TV services, based on the number of revenue generating units ("RGUs"). Our largest operations are in Mexico and Brazil, and we also have major wireless, fixed-line or Pay TV operations in 17 other countries in the Americas and seven countries in Central and Eastern Europe. As of December 31, 2015, we had 285.5 million wireless subscribers and 80.8 million fixed RGUs.

Country/Territory	Principal Businesses	Principal Brands
Mexico	Wireless, Fixed-line	Telcel, Telmex, Sección Amarilla
Argentina	Wireless, Fixed-line	Claro, Telmex
Austria	Wireless, Fixed-line	A1
Belarus	Wireless	velcom
Brazil	Wireless, Fixed-line, Pay TV	Claro, Embratel, NET
Bulgaria	Wireless, Fixed-line	Mobiltel
Chile	Wireless, Fixed-line	Claro, Telmex
Colombia	Wireless, Fixed-line, Pay TV	Claro, Telmex
Costa Rica	Wireless, Fixed-line, Pay TV	Claro
Croatia	Wireless, Fixed-line, Pay TV	Vipnet
Dominican Republic	Wireless, Fixed-line, Pay TV	Claro
Ecuador	Wireless, Fixed-line, Pay TV	Claro, Telmex
El Salvador	Wireless, Fixed-line, Pay TV	Claro
Guatemala	Wireless, Fixed-line, Pay TV	Claro
Honduras	Wireless, Fixed-line, Pay TV	Claro
Macedonia	Wireless, Fixed-line, Pay TV	Vip Operator
Nicaragua	Wireless, Fixed-line, Pay TV	Claro
Panama	Wireless, Pay TV	Claro
Paraguay	Wireless, Pay TV	Claro
Peru	Wireless, Fixed-line, Pay TV	Claro
Puerto Rico	Wireless, Fixed-line, Pay TV	Claro
Serbia	Wireless	Vip mobile
Slovenia	Wireless	Si.mobil
Uruguay	Wireless	Claro
United States	Wireless	TracFone, Straight Talk

The following table sets forth the number of our wireless subscribers and our fixed RGUs, which together make up our total RGUs in the countries where we operate. Fixed RGUs consist of fixed lines, broadband accesses and Pay TV units (which include subscribers to our Pay TV services and, separately, to certain other digital services). The table includes total wireless subscribers and fixed RGUs of all consolidated subsidiaries and affiliates, without adjusting where our equity interest is less than 100%. The table reflects the geographic segments we use in our consolidated financial statements and in particular: (i) Southern Cone includes Argentina, Chile, Paraguay and Uruguay; (ii) Andean Region includes Ecuador and Peru; (iii) Central America includes Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, (iv) Caribbean includes the Dominican Republic and Puerto Rico; and (v) Europe includes Austria, Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovenia.

	As of December 31,	
	2014	2015
	(in thousands)	
Wireless Subscribers:		
Mexico	71,463	73,697
Brazil	71,107	65,978
Colombia	29,775	28,973
Southern Cone	27,754	29,186
Andean Region	24,270	20,743
Central America	13,973	15,317
United States	26,006	25,668
Caribbean	5,092	5,261
Europe	20,008	20,711
Total Wireless Subscribers	289,448	285,534
Fixed RGUs:		
Mexico	22,250	21,735
Brazil	36,096	36,627
Colombia	5,307	5,801
Southern Cone	1,826	1,819
Andean Region	1,576	1,727
Central America	4,606	4,950
Caribbean	2,347	2,511
Europe	4,402	5,642
Total Fixed RGUs	78,410	80,812
Total RGUs	367,858	366,346

We operate under the Claro brand in all of our geographic segments, except in Mexico, the United States and Europe. Our principal operations are described below.

- *Mexico Wireless*. Our subsidiary Radiomóvil Dipsa, S.A. de C.V. ("Telcel"), which operates under the name Telcel, is the largest provider of wireless telecommunications services, based on the number of subscribers, on the fastest 3G and 4G LTE networks in Mexico.
- *Mexico Fixed*. Our subsidiary Teléfonos de México, S.A.B. de C.V. ("Telmex"), which operates under the name Telmex, is the largest provider of fixed-voice and broadband services in Mexico, based on the number of fixed RGUs.
- *Brazil*. Our subsidiary Claro S.A. provides wireless, fixed-line and Pay TV services under the brand names Claro, Embratel and NET. We are the largest provider of telecommunications services in Brazil based on the number of total RGUs.

- *Colombia.* We provide integrated telecommunication services in Colombia, where we are the largest wireless service provider, based on the number of subscribers. We also provide fixed-line telecommunications and Pay TV services. We are the largest carrier of broadband and Pay TV services and the third largest carrier in fixed voice services in Colombia, in each case based on the number of fixed RGUs.
- *Southern Cone*. We provide wireless and fixed-line services in Argentina, Paraguay, Uruguay and Chile. In Chile and Paraguay, we offer nationwide Pay TV services.
- *Andean Region.* We provide wireless services, fixed-line telecommunications and Pay TV services in Peru and Ecuador. In Ecuador, we are the largest wireless operator in the region, based on the number of total wireless subscribers, and are making important inroads into fixed-line services. In Peru, we are the second largest operator in each of our three business lines, based on the number of total RGUs.
- *Central America.* We provide fixed-line telecommunications, wireless and Pay TV services in Guatemala, El Salvador, Honduras and Nicaragua. We also provide wireless and Pay TV services in Panama and Costa Rica.
- *United States.* Our subsidiary TracFone Wireless Inc. ("TracFone") is engaged in the sale and distribution of no-contract wireless services and wireless phones throughout the United States and the U.S. Virgin Islands. It is one of the largest mobile virtual network operators in the United States and operates under the brands TracFone, Straight Talk, SafeLink Wireless, Net10 Wireless and Simple Mobile.
- *Caribbean.* We provide fixed-line telecommunications, wireless, broadband and Pay TV services in the Dominican Republic and Puerto Rico. We are one of the largest telecommunications services providers in the Caribbean based on the number of RGUs in both countries.
- *Europe.* Our subsidiary Telekom Austria AG ("Telekom Austria") is a leading provider of wireless and fixed-line telecommunications services in Central and Eastern Europe. It is listed on the Vienna Stock Exchange.

Acquisitions, Other Investments and Divestitures

Geographic diversification has been a key to our financial success, as it has provided for greater stability in our cash flow and profitability, and has contributed to our strong credit ratings. In recent years, we have been evaluating the expansion of our operations to regions outside of Latin America. We believe that Europe and other areas beyond Latin America present opportunities for investment in the telecommunications sector that could benefit us and our shareholders over the long term. We continue to seek investment opportunities in telecommunications and related companies worldwide, including in markets where we are already present, and we often have several possible investments under consideration. We can give no assurance as to the extent, timing or cost of such investments. We may pursue opportunities in Latin America or in other areas in the world. Some of the assets that we acquire may require significant funding for capital expenditures.

Recognition of KPN Investment

We accounted for our investment in Koninklijke KPN, N.V. ("KPN") using the equity method until June 2015, when we reclassified it as an available for sale marketable security, which resulted in a gain of approximately Ps.12.0 million in 2015. As a result of this reclassification, we reflect the fair value of our investment in KPN under "Current Assets" on our statement of financial position.

Telesites Spin-Off

In October 2015, following the approval of the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, or "IFT") and confirmation by the Mexican Tax Administration Service (*Servicio de Administración Tributaria*) of its tax implications, we completed the spin-off process of Telesites, S.A.B. de C.V. ("Telesites"), which had been approved by an extraordinary meeting of shareholders held in April 2015. The National Securities and Banking Commission (*Comisión Nacional Bancaria y de Valores*) authorized the registration of the shares of Telesites in December 2015, and we concluded the listing process on December 21, 2015. As of the date of the spin-off, the assets and liabilities of Telesites no longer appear on our balance sheet, and we transferred to Telesites as part of the spin-off Ps.4.9 billion in property, plant and equipment and Ps.21.0 billion in debt, resulting in a net gain of Ps.16.2 billion recognized directly in equity.

OPERATING AND FINANCIAL REVIEW AS OF DECEMBER 31, 2015, AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

The following is a summary and discussion of our unaudited preliminary consolidated financial information as of December 31, 2015 and unaudited preliminary consolidated results of operations for the year ended December 31, 2015. For comparative purposes, the tables include financial information as of and for the year ended December 31, 2014. The following tables and discussion should be read in conjunction with our audited annual consolidated financial statements as of and for the year ended December 31, 2014, which are included in our 2014 Form 20-F.

Our consolidated financial statements as of and for the year ended December 31, 2015 are not yet available, and the independent audit of those financial statements has not yet been completed. The unaudited preliminary financial information as of and for the year ended December 31, 2015, presented below, is preliminary and subject to change as we complete our financial closing procedures and prepare our consolidated financial statements for publication, and as our independent registered public accounting firm completes its audit of such consolidated financial statements. As of the date of this report on Form 6-K, our independent registered public accounting firm has not expressed an opinion or any other form of assurance on any financial information as of or for the year ended December 31, 2015, or on our internal control over financial reporting as of December 31, 2015. Our audited consolidated financial statements may differ materially from this preliminary information and will also include notes providing extensive additional disclosures.

References herein to "U.S.$" are to U.S. dollars. References herein to "Ps." are to Mexican pesos. U.S. dollar amounts in the tables are presented solely for convenience, using the exchange rate of Ps.17.2065 to U.S.$1.00, which was the rate reported by Banco de México as of December 31, 2015, as published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*). You should not construe these translations, or any other currency translations included herein, as representations that the Mexican peso amounts actually represent the U.S. dollar or other foreign currency amounts or could be converted into U.S. dollars or such other foreign currency at the rate used or indicated. The peso has depreciated against the U.S. dollar since December 31, 2015, and the exchange rate as of March 4, 2016 was Ps.17.8971 to U.S.$.1.00.

Condensed Consolidated Financial Data of América Móvil

The following tables set forth our preliminary unaudited consolidated financial information for the year ended December 31, 2015 and as of December 31, 2015, as well as our audited consolidated financial information for the year ended December 31, 2014 and as of December 31, 2014.

	For the year ended December 31,		
	2014	2015	
	(in thousands of Mexican pesos)		(in millions of U.S. dollars)
	(audited)	(unaudited preliminary)	
Income Statement Data			
Operating revenues:			
Wireless voice services	Ps. 255,606,335	Ps.243,576,248	U.S.$ 14,156
Fixed voice services	114,687,475	104,754,844	6,088
Wireless data services	194,882,905	235,087,506	13,663
Fixed data services	97,533,378	104,853,471	6,094
Pay TV	68,378,623	65,259,697	3,793
Equipment, accessories and computer sales	95,632,868	115,557,754	6,716
Other services	21,540,236	25,127,107	1,460
Total operating revenues	848,261,820	894,216,627	51,970
Cost of sales and services	386,102,139	418,061,856	24,297
Commercial, administrative and general expenses	185,683,205	203,524,778	11,828
Other expenses	4,928,675	5,440,338	316
Depreciation and amortization	114,993,551	125,735,395	7,307
Total operating costs and expenses	691,707,570	752,762,367	43,748
Operating income	156,554,250	141,454,260	8,221
Interest income	7,052,271	4,774,894	278
Interest expense	(31,522,523)	(31,200,286)	(1,813)
Foreign currency exchange loss, net	(28,615,459)	(78,997,898)	(4,591)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	(10,190,261)	21,536,159	1,252
Equity interest in net losses of associated companies	(6,073,009)	(1,426,696)	(83)
Profit before income tax	87,205,269	56,140,433	3,264
Income tax	39,707,549	19,179,651	1,115
Net profit for the period	Ps. 47,497,720	Ps. 36,960,782	U.S.$ 2,149
Net profit for the period attributable to:			
Equity holders of the parent	46,146,370	35,054,772	2,038
Non-controlling interests	1,351,350	1,906,010	111
	Ps. 47,497,720	Ps. 36,960,782	U.S.$ 2,149

	At December 31,		
	2014	2015	
	(in thousands of Mexican pesos)		(in millions of U.S. dollars)
	(audited)	(unaudited preliminary)	
Balance Sheet Data			
Total current assets	Ps. 288,408,157	Ps. 351,331,654	U.S.$ 20,419
Total non-current assets	989,948,512	945,155,159	54,930
Total assets	1,278,356,669	1,296,486,813	75,349
Total current liabilities	382,190,980	424,653,901	24,680
Long-term debt	545,949,470	564,508,516	32,808
Derivative financial instruments	—	3,314,146	193
Deferred taxes	14,190,442	11,589,865	674
Deferred revenues	1,330,757	1,052,940	61
Asset retirement obligation	13,451,407	11,569,897	672
Employee benefits	86,604,565	118,943,362	6,913
Total liabilities	1,043,717,621	1,135,632,627	66,001
Equity:			
Capital stock	96,382,631	96,338,477	5,599
Retained earnings:			
Prior year	146,188,038	137,276,667	7,978
Profit for the year	46,146,370	35,054,772	2,037
Total retained earnings	192,334,408	172,331,439	10,015
Other comprehensive loss items	(104,332,763)	(156,391,921)	(9,089)
Equity attributable to equity holders of the parent	184,384,276	112,277,995	6,525
Non-controlling interests	50,254,772	48,576,191	2,823
Total equity	234,639,048	160,854,186	9,348
Total liabilities and equity	Ps. 1,278,356,669	Ps. 1,296,486,813	U.S.$ 75,349

Consolidated Results of Operations for the Years Ended December 31, 2014 and 2015

Our financial statements are presented in Mexican pesos, but our operations outside of Mexico account for a significant portion of our revenues. Currency variations between the Mexican peso and the currencies of our non-Mexican subsidiaries affect our results of operations as reported in Mexican pesos. In 2015, the Mexican peso was generally stronger against other of our operating currencies, such as the Brazilian real, Colombian peso and Argentine peso, than in 2014, which tended to reduce the reported amounts attributable to our non-Mexican operations.

In the following discussion regarding our operating revenues and operating costs and expenses, we include a discussion of the change in the different components of our revenues and costs and expenses between periods at constant exchange rates (i.e., using the same exchange rate to translate the local-currency results of our non-Mexican operations for both periods). We believe that this additional information helps investors better understand the performance of our non-Mexican operations and their contribution to our consolidated results.

As of December 31, 2015 and 2014, we owned 59.7% of the total equity of Telekom Austria. We began consolidating Telekom Austria from July 1, 2014. Prior to July 1, 2014, we accounted for Telekom Austria using the equity method. The consolidation of Telekom Austria affects the comparability of our results for 2015 to our results for 2014.

Operating Revenues

Total operating revenues for 2015 increased by 5.4%, or Ps.46.0 billion, over 2014. At constant exchange rates, total operating revenues for 2015 increased by 6.0% over 2014, or 1.8% excluding the effects of consolidating Telekom Austria. This increase principally reflects increases in revenues from our wireless data and fixed data operations, partially offset by a decrease in revenues from our wireless voice, fixed voice and Pay TV operations.

Wireless Voice—Wireless voice revenues for 2015 decreased by 4.7%, or Ps.12.0 billion, over 2014. At constant exchange rates, wireless voice revenues for 2015 decreased by 7.5% over 2014, or 10.3% excluding the effects of consolidating Telekom Austria. This decrease principally reflects reductions in the price per minute for calls, decreases in international and long-distance traffic, the elimination in Mexico of interconnection rates and national roaming charges and the reduction of interconnection rates in other jurisdictions where we operate, including, principally, Colombia, Ecuador and Brazil.

Fixed Voice—Fixed voice revenues for 2015 decreased by 8.7%, or Ps.9.9 billion, over 2014. At constant exchange rates, fixed voice revenues for 2015 decreased by 5.4% from 2014, or 12.3% excluding the effects of consolidating Telekom Austria. This decrease principally reflects reduced traffic, principally in long-distance calls, in part explained by the growing use of wireless technology and the effects of regulatory changes in some of the countries where we operate, such as in Mexico and Colombia.

Wireless Data—Wireless data revenues for 2015 increased by 20.6%, or Ps.40.2 billion, over 2014. At constant exchange rates, wireless data revenues for 2015 increased by 17.8% over 2014, or 12.1% excluding the effects of consolidating Telekom Austria. This increase principally reflects increased use of services, such as media and content downloading, web browsing, content streaming and machine-to-machine services, driven in part by the increased use of social networking websites and content downloading on tablets and notebooks.

Fixed Data—Fixed data revenues for 2015 increased by 7.5%, or Ps.7.3 billion, over 2014. At constant exchange rates, fixed data revenues for 2015 increased by 13.0% over 2014, or 8.3% excluding the effects of consolidating Telekom Austria. This increase principally reflects growth in residential broadband services, driven by higher quality services with greater coverage, and the growth of corporate data services, such as cloud, dedicated lines, leasing and data center services.

Pay TV—Pay TV revenues for 2015 decreased by 4.6%, or Ps.3.1 billion, over 2014. At constant exchange rates, Pay TV revenues for 2014 increased by 8.7% over 2014, or 7.8% excluding the effects of consolidating Telekom Austria. This increase primarily reflects growth in fixed RGUs and increased revenues, driven by new plans and channel packages that integrate multiple services, particularly in Brazil, Colombia, Peru and Ecuador.

Equipment, Accessories and Computer Sales—Revenues from equipment, accessories and computer sales for 2015 increased by 20.8%, or Ps.19.9 billion, over 2014. At constant exchange rates, revenues from equipment, accessories and computer sales for 2015 increased by 20.2% over 2014, or 17.7% excluding the effects of consolidating Telekom Austria. This increase principally reflects an increase in sales of higher-end smart phones, feature phones and other data-enabled devices, as well as an increase in handset, tablet and electronics sales, driven by new commercial plans and promotions among postpaid and prepaid subscribers.

Other Services—Revenues from other services for 2015 increased by 16.7%, or Ps.3.6 billion, over 2014. At constant exchange rates, revenues from other services for 2015 increased by 17.0% over 2014, or 10.1% excluding the effects of consolidating Telekom Austria. This increase principally reflects an increase in revenues from advertising, online content, wireless security services, telephone directories and call center services.

Operating Costs and Expenses

Cost of sales and services—Cost of sales and services for 2015 increased by 8.3%, or Ps.32.0 billion, over 2014, representing 46.8% of operating revenues for 2015 compared to 45.5% of operating revenues for 2014. At constant exchange rates, cost of sales and services for 2015 increased by 6.8% over 2014, or 3.0% excluding the effects of consolidating Telekom Austria.

Cost of sales was Ps.145.8 billion for 2015, an increase of 12.4% from Ps.129.6 billion in 2014. Excluding the effects of consolidating Telekom Austria, cost of sales was Ps.137.3 billion for 2015 and Ps.125.1 billion for 2014. This increase primarily reflects the increase in sales of smartphones to subscribers in all countries in which we operate and an increase in the subsidies we provide in order to acquire and retain subscribers and to incentivize prepaid subscribers to switch to postpaid plans.

Cost of services was Ps.272.3 billion for 2015, an increase of 6.2% from Ps.256.5 billion in 2014. Excluding the effects of consolidating Telekom Austria, cost of services was Ps.251.7 billion for 2015 and Ps.246.9 billion for 2014. This increase primarily reflects an increase in costs related to our Pay TV business, increased costs to support our wireless data business, increased royalty payments and an increase in leasing, network maintenance and labor costs.

Commercial, administrative and general expenses—Commercial, administrative and general expenses for 2015 increased by 9.6%, or Ps.17.8 billion, over 2014. As a percentage of operating revenues, commercial, administrative and general expenses for 2015 and 2014 were 22.8% and 21.9%, respectively. At constant exchange rates, commercial, administrative and general expenses for 2015 increased by 11.6% over 2014, or 8.7% excluding the effects of consolidating Telekom Austria. This increase primarily reflects increased expenses related to higher customer-service costs, including increases in the number of customer service centers and employees, as we seek to provide better customer care and quality of service.

Telcel and Telmex, like other Mexican companies, are required by law to pay their employees, in addition to their agreed compensation and benefits, profit sharing in an aggregate amount equal to 10.0% of each entity's taxable income. Our subsidiaries in Ecuador and Peru are also required to pay employee profit sharing at rates of 15.0% and 10.0%, respectively, of taxable income. We account for these amounts under commercial, administrative and general expenses.

Other expenses—Other expenses for 2015 increased by 10.4%, or Ps.0.5 billion, over 2014 principally as a result of the consolidation of Telekom Austria.

Depreciation and amortization—Depreciation and amortization for 2015 increased by 9.3%, or Ps.10.7 billion, over 2014. As a percentage of operating revenues, depreciation and amortization for 2015 increased slightly to 14.1% compared to 13.6% for 2014. This increase primarily reflects the consolidation of Telekom Austria. At constant exchange rates, depreciation and amortization for 2015 increased by 7.7%, excluding the effects of consolidating Telekom Austria. This increase primarily reflects capital expenditures made in recent years in connection with two new satellites placed into orbit in Brazil.

Operating Income

Operating income for 2015 decreased by 9.6%, or Ps.15.1 billion, from 2014. Operating margin (operating income as a percentage of operating revenues) for 2015 was 15.8% compared to 18.5% for 2014. Excluding the effects of consolidating Telekom Austria, operating income for 2015 decreased by 13.1% and operating margin decreased by 2.7%, due principally to higher subscriber acquisition costs, network maintenance and customer service, as well as the growth of lower-margin businesses, such as TracFone, and greater depreciation and amortization charges.

Non-Operating Items

Net Interest Expense—Net interest expense (interest expense less interest income) for 2015 increased by Ps.2.0 billion, or 8.0%, over 2014, or 3.4% excluding the effects of consolidating Telekom Austria, attributable to the appreciation of some of the currencies in which our indebtedness is denominated, particularly the U.S. dollar, and an increase in our net debt.

Foreign Currency Exchange Loss, Net—We recorded a net foreign currency exchange loss of Ps.79.0 billion for 2015, compared to a net foreign currency exchange loss of Ps.28.6 billion for 2014. Excluding the effects of consolidating Telekom Austria, net foreign currency exchange losses more than doubled when compared to 2014, principally attributable to the appreciation of some of the currencies in which our indebtedness is denominated, particularly the U.S. dollar.

Valuation of Derivatives, Interest Cost from Labor Obligations and Other Financial Items, Net—The changes in valuation of derivatives, interest cost from labor obligations and other financial items, net, represented a gain of Ps.21.5 billion for 2015, compared to a loss of Ps.10.2 billion for 2014. This item reflects the gain recorded as a result of the change in the accounting of our investment in KPN from the equity method an available-for-sale marketable security as well as value gains on the derivative instruments we use to hedge against exchange rate risk in our indebtedness.

Equity interest in net losses of associated companies—Our share of the net losses of associated companies accounted for under the equity method was Ps.1.4 billion in 2015 and Ps.6.1 billion in 2014. Our results from equity-method investees for 2015 principally reflect our interest in KPN through June 2015 and our equity interest in Telekom Austria for the first six months of 2014.

Income Tax—Our income tax expenses for 2015 decreased by 51.7% over 2014. This was principally due to increases in our net foreign currency exchange losses as a result of the depreciation of the Mexican peso against the currencies in which a portion of our debt is denominated. Our effective corporate income tax rate as a percentage of profit before income tax was 34.2% for 2015, compared to 45.5% for 2014. This rate differed from the Mexican statutory rate of 30% principally because in Mexico, for tax purposes, we recognize a taxable gain attributable to the effects of inflation on our financial liabilities, which increased as a result of the depreciation of the Mexican peso.

Net Profit

We recorded a net profit of Ps.37.0 billion for 2015, a decrease of 22.2%, or Ps.10.5 billion, over 2014. Excluding the effects of consolidating Telekom Austria, net profit in 2015 decreased by 34.5% compared to 2014. This decrease reflects our foreign exchange losses, greater depreciation and amortization charges.

Segment Results of Operations for the Years Ended December 31, 2014 and 2015

The following table sets forth the exchange rates used to translate the results of our significant non-Mexican operations, as expressed in Mexican pesos per foreign currency unit, and the change from the rate used in the prior period indicated. The U.S. dollar is our functional currency in several of the countries or territories in which we operate in addition to the United States, including Ecuador and Puerto Rico.

	Mexican pesos per foreign currency unit (average for the period) for the years ended December 31,		
	2014	2015	% Change
Brazilian real	5.6574	4.8068	(15.0)
Colombian peso	0.0067	0.0058	(13.4)
Argentine peso	1.6406	1.7152	4.5
U.S. dollar	13.2969	15.8504	19.2
Euro	17.6507	17.3886	(1.5)

The tables below set forth operating revenues and operating income for each of our segments for the periods indicated.

	For the Year ended December 31, 2014	
	Operating revenues	Operating income (loss)
	(in millions of Mexican Pesos) (audited)	
Mexico Wireless	Ps.195,710	Ps.73,462
Mexico Fixed	107,518	22,284
Brazil	204,647	12,669
Colombia	75,992	17,669
Southern Cone	56,532	6,593
Andean Region	47,802	12,132
Central America	27,023	(212)
United States	91,097	1,520
Caribbean	25,842	4,923
Europe	37,392	5,229
Eliminations	(21,293)	285
Total	Ps.848,262	Ps.156,554

	For the Year ended December 31, 2015	
	Operating revenues	Operating income
	(in millions of Mexican Pesos) (unaudited)	
Mexico Wireless	Ps.204,825	Ps.70,726
Mexico Fixed	101,078	15,947
Brazil	178,174	10,879
Colombia	66,137	13,362
Southern Cone	68,948	9,185
Andean Region	51,959	7,853
Central America	34,752	1,750
United States	110,654	1,294
Caribbean	29,658	3,891
Europe	73,160	6,247
Eliminations	(25,128)	320
Total	Ps.894,217	Ps.141,454

The following discussion addresses the financial performance of each of our operating segments by comparing results for the years ended December 31, 2015 and 2014. In the period-to-period comparisons for each segment, we include percentage changes in operating revenues, operating income and operating margin (operating income as a percentage of operating revenues). Comparisons in the following discussion are calculated using figures in Mexican pesos. We also include percentage changes in adjusted segment operating revenues, adjusted segment operating income and adjusted operating margin (adjusted operating income as a percentage of adjusted operating revenues). The adjustments eliminate (i) certain intersegment transactions, (ii) for our non-Mexican segments, the effects of exchange rate changes and (iii) for the Mexican Wireless segment only, revenues and costs of group corporate activities and other businesses that are allocated to the Mexico Wireless segment.

Mexico Wireless

The number of net prepaid wireless subscribers for 2015 increased by 1.6% over 2014, and the number of net postpaid wireless subscribers increased by 12.8%, resulting in an increase in the total net number of wireless subscribers in Mexico of 3.1%, or 2.2 million, to approximately 73.7 million as of December 31, 2015.

Segment operating revenues for 2015 increased by 4.7% over 2014. Adjusted revenues for 2015 increased by 2.4% over 2014. This increase was primarily due to an increase in value-added services revenues. Wireless voice revenues for 2015 decreased by 17.4% over 2014, reflecting primarily the elimination of domestic roaming charges and the elimination of termination charges. Wireless data revenues increased by 7.9% in 2015, primarily due to the increased use of value-added services by our wireless subscribers, including activity from messaging, content downloading, mobile applications and social media, and an increase in revenues from service plans offering higher data capacity.

Segment operating income for 2015 decreased by 3.7% over 2014. Adjusted operating income for 2015 decreased by 7.3% over 2014. Segment operating margin was 34.5% in 2015 and 37.5% in 2014. Adjusted operating margin for this segment was 39.5% in 2015 and 43.7% in 2014. The decrease in operating margin in 2015 was due primarily to certain negative effects from the changes in Mexican regulation and to costs related to network maintenance and expansion, as well as network capacity to absorb higher bandwidth usage and customer service.

Mexico Fixed

The number of fixed RGUs in Mexico for 2015 decreased by 1.2% over 2014, and the number of broadband RGUs in Mexico decreased by 4.0%, resulting in a decrease in total fixed RGUs in Mexico of 2.3% to approximately 21.7 million as of December 31, 2015 over 2014. The decrease in broadband RGUs was driven primarily by a change in recognition of fixed RGUs, which now excludes those fixed RGUs that maintain a 60-day or more delinquent account.

Segment operating revenues for 2015 decreased by 6.0% over 2014. Adjusted revenues for 2015 decreased by 4.9% over 2014. This decrease was primarily due the elimination of charges for domestic long-distance calls in January 2015. Fixed voice revenues for 2015 decreased by 18.8% over 2014, reflecting reductions in the overall number of fixed-lines, national and international long-distance rates and usage. Fixed data revenues for 2015 increased by 5.4% over 2014, reflecting an increase in revenues from broadband and corporate network services.

Segment operating income for 2015 decreased by 28.4% over 2014. Adjusted segment operating income for 2015 decreased by 29.6% over 2014. Segment operating margin was 15.8% in 2015 and 20.7% in 2014. Adjusted operating margin for this segment was 14.1% in 2015 and 19.1% in 2014. The decrease in the segment operating margin for 2015 was primarily due to increases in costs associated with customer service and service quality improvements as well as network maintenance.

Brazil

The number of net prepaid wireless subscribers for 2015 decreased by 11.0% over 2014, and the number of net postpaid wireless subscribers increased by 6.4%, resulting in a decrease in the total net number of wireless subscribers in Brazil of 7.2%, or 5.1 million over 2014, to approximately 66.0 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 3.2%, the number of broadband RGUs increased by 7.7% and the number of Pay TV RGUs decreased by 2.7%, resulting in an increase in total fixed RGUs in Brazil of 1.5% to approximately 36.6 million as of December 31, 2015 over 2014.

Segment operating revenues for 2015 decreased by 12.9% over 2014. Adjusted segment operating revenues for 2015 increased by 1.8% over 2014. This increase was primarily due to higher wireless and fixed data as well as Pay TV revenues. Wireless data revenues for 2015 increased by 23.2% and fixed data revenues for 2015 increased by 9.6%, principally due to higher customer usages of media and content-downloading data and of value-added services, such as SMS messaging and web browsing, as well as, in the case of fixed data, an increase in the fixed RGU base. Pay TV revenues for 2015 increased by 7.3% as a result of an increase in the purchase of additional services, such as video-on-demand and bundled packages. Wireless and fixed voice revenues decreased by 18.4% and 7.4%, respectively, in 2015 over 2014. The principal factors underlying the decrease in revenues were the reduction of interconnection rates and reduced long-distance and fixed-to-mobile charges. The decrease in fixed voice revenues is primarily attributable to decreases in revenues from local services and the reduction of interconnection rates and domestic long-distance calls.

Segment operating income for 2015 decreased by 14.1% over 2014. Adjusted segment operating income for 2015 increased by 2.5% over 2014. Segment operating margin was 6.1% in 2015 and 6.2% in 2014. Adjusted segment operating margin was 4.9% in 2015 and 4.9% in 2014. The decrease in segment operating margin for 2015 was primarily due to higher subscriber acquisitions, customer service and call centers costs, as well as higher advertising, rent and marketing costs associated with the integration of our various Brazilian brands.

Colombia

Segment operating revenues for 2015 decreased by 13.0% over 2014. Adjusted operating revenues for 2015 decreased by 0.5% over 2014. This decrease was primarily due to lower wireless interconnection rates, airtime use by wireless prepaid subscribers and, in the case of postpaid wireless subscribers, a decrease in subscription plan fees. Fixed and wireless data revenues increased by 10.8% and 20.6%, respectively, in 2015, primarily due to an increase in sales of bundled packages of wireless services, higher demand for data plans and an increase in subscribers for internet services. Fixed voice revenues increased by 9.8% and wireless voice revenues decreased by 21.8% in 2015. Pay TV revenues for 2015 increased by 16.5% as a result of an increase in the number of subscribers.

Segment operating income for 2015 decreased by 24.4% over 2014. Adjusted segment operating income for 2015 decreased by 10.1% over 2014. Segment operating margin was 20.2% in 2015 and 23.3% in 2014. Adjusted segment operating margin was 23.8% in 2015 and 26.3% in 2014. The decrease in segment operating margin for 2015 was primarily due to higher advertising, lease, maintenance and customer service costs, customer acquisition costs and costs related to TV content.

Southern Cone—Argentina, Chile, Paraguay and Uruguay

Segment operating revenues for 2015 increased by 22.0% over 2014, reflecting an increase of 28.1% in Argentina, Paraguay and Uruguay and an increase of 6.3% in Chile. Adjusted segment operating revenues for 2015 increased by 21.5% over 2014, reflecting an increase of 22.5% in Argentina, Paraguay and Uruguay and an increase of 2.3% in Chile. The increase in operating revenues was driven primarily in Chile and Argentina from higher data usage, such as data purchased in bundled service packages. For this segment, we analyze results in Argentina, Paraguay and Uruguay in terms of the Argentine peso, because Argentina accounts for the major portion of the operations in these three countries.

Segment operating income for 2015 increased by 39.3% over 2014, reflecting an increase in operating income of 31.8% in Argentina, Paraguay and Uruguay and an increase in operating loss of 17.6% in Chile. Adjusted segment operating income for 2015 increased by 38.2% over 2014, reflecting an increase in adjusted operating income of 26.2% in Argentina, Paraguay and Uruguay and an increase in adjusted operating loss by 13.2% in Chile.

Segment operating margin was 13.3% in 2015 and 11.7% in 2014. This increase reflects an operating margin of 28.2% in Argentina, Paraguay and Uruguay, which was partially offset by a negative operating margin of 21.4% in Chile. Adjusted segment operating margin was 15.0% in 2015, compared to 13.2% in 2014, and reflects an adjusted operating margin of 28.1% in Argentina, Paraguay and Uruguay, partially offset by a negative operating margin of 21.4% in Chile. Results of operations in this segment during 2015 are partially explained by cost efficiencies related to maintenance, commercial leases for customer services centers, stores and tower spaces and customer service centers.

Andean Region—Ecuador and Peru

Segment operating revenues for 2015 increased by 8.7% over 2014, reflecting operating revenue increases of 10.6% in Ecuador and 6.7% in Peru. Adjusted segment operating revenues for 2015 increased by 8.6%, reflecting a decrease of 7.1% in Ecuador and 0.5% in Peru. This increase in operating revenues reflected, in both Ecuador and Peru, higher wireless data and postpaid voice plan usage, as well as higher revenues from fixed data and corporate data services, slightly offset by a decrease in revenues from our wireless and fixed voice operations.

Segment operating income for 2015 decreased by 35.3% over 2014, reflecting a decrease in operating income of 24.1% in Ecuador and a decrease of 35.2% in Peru. Adjusted segment operating income for 2015 decreased by 28.8%, reflecting a decrease of 35.4% in Ecuador and a decrease of 38.9% in Peru. Segment operating margin was 15.1% in 2015, reflecting operating margins of 23.3% in Ecuador and 14.4% in Peru, and was 25.4% in 2014. Adjusted segment operating margin was 18.8% in 2015, reflecting adjusted operating margins of 23.6% in Ecuador and 14.4% in Peru, and was 28.7% in 2014. Results of operations in all countries in this segment in 2015 were impacted by increases in customer service, marketing, sales costs, and subsidies in Ecuador and higher postpaid subscriber acquisition costs driven by a more aggressively competitive environment in Peru.

Central America—Guatemala, El Salvador, Honduras, Nicaragua, Panama and Costa Rica

Segment operating revenues for 2015 increased by 28.6% over 2014. Adjusted segment operating revenues for 2015 increased by 7.6% over 2014. This increase was driven primarily by increased revenues from wireless and fixed voice services and Pay TV in each country other than El Salvador, and increased revenues from wireless and fixed data services in each country, other than Nicaragua and El Salvador, partially offset by declining fixed voice usage and prices per minute for calls in El Salvador and Guatemala. For this purpose, we analyze adjusted segment results in U.S. dollars because it is the functional currency in our operations in El Salvador and Panama and the currencies in Costa Rica, Guatemala, Honduras and Nicaragua are relatively stable against the U.S. dollar.

Segment operating income and adjusted segment operating income increased by approximately 924.6% in 2015 over 2014. Segment operating margin for 2015 was 5.0%, compared to a negative operating margin for 2014 of 0.8%. Adjusted segment operating margin for 2015 as 5.4%, compared to a negative operating margin for 2014 of 0.6%. Results of operations in all countries in the segment in 2015 were impacted by the increase in operating income, lower maintenance, customer service and acquisition costs associated with increasing our network capacity, quality and coverage in each country.

United States

Segment operating revenues for 2015 increased by 21.5% over 2014. Adjusted segment operating revenues for 2015 increased by 1.9% over 2014. This increase reflected higher wireless voice and data usage and revenues driven by the success of existing plans, principally those offered by Straight Talk, which often include unlimited data plans. Wireless data services increased by 2.5% during 2015 and currently represent 39.7% of segment revenues. In 2015, the number of wireless subscribers, all of which are prepaid subscribers, decreased by 1.3% to approximately 25.7 million as of December 31, 2015 over 2014.

Segment operating income for 2015 decreased by 14.9% over 2014. Adjusted segment operating income for 2015 decreased by 10.8% over 2014. Segment operating margin was 1.2% in 2015 and 1.7% in 2014. Adjusted segment operating margin was 7.8% in 2015 and 8.9% in 2014. This decrease in segment operating margin for 2015 was primarily due to increased payments to third-party network operators for minutes and megabytes, as well as higher voice and data usages from unlimited plans.

Caribbean—Dominican Republic and Puerto Rico

Segment operating revenues for 2015 increased by 14.8% over 2014. Adjusted segment operating revenues for 2015 decreased by 3.7% over 2014. This decrease was primarily due to lower revenues from wireless and fixed-voice services in Puerto Rico, which was partially offset by an increase in wireless data revenues in the Dominican Republic. We analyze segment results in U.S. dollars because it is the functional currency in our operations in Puerto Rico, and the currency in the Dominican Republic is relatively stable against the U.S. dollar.

Segment operating income for 2015 decreased by 21.0% over 2014. Adjusted segment operating income for 2015 decreased by 36.5% over 2014. Segment operating margin was 13.1% in 2015 and 19.1% in 2014. Adjusted segment operating margin was 12.6% in 2015 and 19.0% in 2014. The decrease in segment operating income and operating margin for 2015 reflected an increase in costs associated with accrued liabilities, principally our pension obligations in Puerto Rico, as well as costs associated with human resources, network maintenance and subscriber acquisitions.

Europe

Segment operating revenues for 2015 was Ps.6,247 million. Segment operating margin and adjusted segment operating margin for 2015 were 8.5% and 13.8%, respectively. We began consolidating Telekom Austria in July 2014.

Liquidity and Capital Resources

Management defines net debt as total debt minus cash and cash equivalents, minus marketable securities and other short term investments. As of December 31, 2015, we had net debt of Ps.581.7 billion, compared to Ps.537.3 billion as of December 31, 2014 (when we did not have any marketable securities and other short-term investments).

Our total indebtedness as of December 31, 2015, was Ps.683.2 billion, of which Ps.118.7 billion was short-term debt (including the current portion of long-term debt). Without taking into account the effects of derivative financial instruments that we use to manage our interest rate and currency risk, approximately 87.4% of our indebtedness as of December 31, 2015 was denominated in currencies other than Mexican pesos (approximately 43.1% of such non-Mexican peso debt is in U.S. dollars, and 56.9% is in other currencies). Approximately 6.5 % of our total indebtedness at that date bore interest at floating rates.

The maturities of our long-term debt as of December 31, 2015 were as follows:

Years	Amount (in thousands of Mexican pesos)
2017	47,943,032
2018	29,253,101
2019	50,083,855
2020	47,033,699
2021 and thereafter	390,194,829
Total	Ps.564,508,516

We regularly assess our interest rate and foreign exchange exposures, and we often manage those exposures by using derivative financial instruments. As of December 31, 2015, the net fair value of our derivatives and other financial items was a net asset of Ps.30.1 billion.

During 2015, we used approximately Ps.151.6 billion to fund capital expenditures, including for new 4G and LTE technology, network deployment and network capacity, and Ps.37.4 billion to pay dividends. We have also continued to repurchase shares of our capital stock under our share repurchase program during 2015, we repurchased approximately 2,147 million Series L shares and 2.6 million Series A shares for an aggregate purchase price of Ps.34.4 billion.

RECENT DEVELOPMENTS

The information presented below concerns recent developments since the filing of our 2014 Form 20-F on May 1, 2015 through the date of this report on Form 6-K.

IFT Proceedings Against Telmex

In August 2015, our subsidiary Telmex was notified of several administrative proceedings initiated by the IFT, in order to determine potential violations to: (i) Telmex's concession, with respect to an alleged direct or indirect exploitation of a public television services concession in the country; and (ii) certain provisions of the Mexican Constitution and the Federal Telecommunications and Broadcasting Law (*Ley Federal de Telecomunicaciones y Radiocomunicación*), regarding the cost-free rule of retransmission of television broadcast signals (commonly known as "must offer") through other operators.

The administrative proceedings initiated by the IFT are related to Telmex's commercial agreements with Dish México, S. de R.L. de C.V., consisting of billing and collection services, distribution and equipment leases, as well as the internet service known as "Uno TV."

Telesites Spin-Off

In October 2015, following the approval of the IFT and confirmation by the Mexican Tax Administration Service (*Servicio de Administración Tributaria*) of its tax implications, we completed the spin-off process of Telesites, which had been approved by an extraordinary meeting of shareholders held in April 2015. The National Securities and Banking Commission (*Comisión Nacional Bancaria y de Valores*) authorized the registration of the shares of Telesites in December 2015, and we concluded the listing process on December 21, 2015. As of the date of the spin-off, the assets and liabilities of Telesites no longer appear on our balance sheet.

Denial of Telmex's Appeal for Relief against Fine for Monopolistic Practices Investigation

In November 2015, our subsidiary Telmex was notified of a final resolution by the Mexican Supreme Court of Justice, pursuant to which the court denied Telemex's appeal for relief (*juicio de amparo*) against a decision by the Mexican Federal Antitrust Commission (*Comisión Federal de Competencia*). The decision imposed a fine against Telmex for alleged monopolistic practices in the dedicated-link leasing market, including the local and domestic long-distance markets. Telmex paid the fine, which amounted to Ps.698.5 million, in December 2015.

Telcel is Awarded Spectrum in AWS Auction

In February 2016, our subsidiary Telcel was awarded 20 MHz nationwide in the AWS-1 band and 40 MHz nationwide in the AWS-3 band at the spectrum auction recently carried out by the IFT. The concessions governing the spectrum awards will expire on October 1, 2030, and Telcel will pay Ps.2.1 billion plus fees for the rights of use during their term. The concessions will be granted upon compliance of certain requirements provided under the auction rules issued by the IFT.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratios of earnings to fixed charges for the years ended December 31, 2014 and 2015. Earnings, for this purpose, consist of profit before income tax, plus interest expense, interest implicit in operating leases and current period amortization of interest capitalized in prior periods, minus equity interest in net income (losses) of affiliates, during the periods. Fixed charges, for this purpose, consist of interest expense plus interest implicit in operating leases plus interest capitalized during the periods. The ratio for the year ended December 31, 2015 is based on unaudited preliminary results and, accordingly, is subject to change.

For the Year ended December 31,	
2014	**2015**
3.5	2.5

EXCHANGE RATES

U.S. Dollar/Mexican Peso

The following table sets forth, for the periods indicated, the high, low, average and period-end noon buying rates in New York City for cable transfers payable in Mexican pesos published by the Board of Governors of the Federal Reserve System expressed in Mexican pesos per U.S. dollar. The rates in this table are provided for your reference only.

Period	High	Low	Average(1)	Period End
2011	14.2542	11.5050	12.4270	13.9510
2012	14.3650	12.6250	13.1404	12.9635
2013	13.4330	11.9760	12.8574	13.0980
2014	14.7940	12.8455	13.3700	14.7500
2015	17.1040	14.5640	15.5737	17.0895
September	17.1040	16.5615	16.8387	16.8980
October	16.8915	16.3820	16.5697	16.5300
November	16.8540	16.3730	16.6306	16.5885
December	17.3580	16.5305	17.0696	17.1950
2016				
January	18.5945	17.3595	18.0648	18.2110
February (through February 26)	19.1925	18.019	18.4524	18.1850

(1) Average of month-end rates.

The noon buying rate published by the Board of Governors of the Federal Reserve System on February 26, 2016 (the latest practicable date prior to the date hereof), was Ps.18.1850 to U.S.$1.00.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 7, 2016

AMÉRICA MÓVIL, S.A.B. DE C.V.

By: /s/ Carlos José García Moreno Elizondo
Name: Carlos José García Moreno Elizondo
Title: Chief Financial Officer

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

Unaudited Condensed Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	At September 30, 2015 Unaudited	At December 31, 2014 Audited
Assets		
Current assets:		
Cash and cash equivalents	Ps. 69,874,151	Ps. 66,473,703
Other investments (Note 5)	55,049,112	—
Accounts receivable:		
Subscribers, distributors, recoverable taxes and other, net	149,156,906	145,584,407
Related parties (Note 3)	795,107	1,320,107
Derivative financial instruments	37,978,463	22,536,056
Inventories, net	34,593,453	35,930,282
Other assets, net	19,416,933	16,563,602
Total current assets	366,864,125	288,408,157
Non-current assets:		
Property, plant and equipment, net (Note 4)	558,722,383	588,106,180
Intangibles, net	123,899,901	117,319,788
Goodwill	136,347,853	140,903,391
Investment in associated companies (Note 5)	3,795,776	49,262,581
Deferred taxes	76,812,350	66,500,539
Other assets, net	27,230,246	27,856,033
Total assets	Ps. 1,293,672,634	Ps. 1,278,356,669
Liabilities and equity		
Current liabilities:		
Short-term debt and current portion of long-term debt (Note 7)	Ps . 132,884,388	Ps. 57,805,517
Accounts payable	180,329,751	191,503,362
Accrued liabilities	52,571,299	53,968,679
Taxes payable	24,203,728	35,834,083
Derivative financial instruments	6,701,104	8,527,812
Related parties (Note 3)	2,014,452	3,087,292
Deferred revenues	31,910,195	31,464,235
Total current liabilities	430,614,917	382,190,980
Non-current liabilities		
Long-term debt (Note 7)	587,869,829	545,949,470
Derivative financial instruments	2,710,740	—
Deferred taxes	11,450,438	14,190,442
Deferred revenues	1,323,597	1,330,757
Asset retirement obligations	13,220,670	13,451,407
Employee benefits	93,630,347	86,604,565
Total liabilities	1,140,820,538	1,043,717,621
Equity (Note 8):		
Capital stock	96,374,352	96,382,631
Retained earnings:		
Prior periods	122,300,810	146,188,038
Profit for the period	19,391,632	46,146,370
Total retained earnings	141,692,442	192,334,408
Other comprehensive loss items	(136,962,947)	(104,332,763)
Equity attributable to equity holders of the parent	101,103,847	184,384,276
Non-controlling interests	51,748,249	50,254,772
Total equity	152,852,096	234,639,048
Total liabilities and equity	Ps. 1,293,672,634	Ps. 1,278,356,669

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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

Unaudited Condensed Consolidated Statements of Comprehensive Income

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

	For the nine-month periods ended September 30, 2015 Unaudited	2014 Unaudited
Operating revenues:		
Mobile voice services	**Ps. 187,367,500**	Ps. 191,513,206
Fixed voice services	**84,297,978**	85,023,563
Mobile data services	**174,386,359**	141,383,887
Fixed data services	**77,886,796**	71,076,955
Paid television	**49,649,626**	51,016,821
Sales of equipment, accessories and computers	**79,482,796**	63,772,418
Other related services	**10,568,129**	15,170,789
	663,639,184	618,957,639
Operating costs and expenses:		
Cost of sales and services	**306,111,761**	278,416,257
Commercial, administrative and general expenses	**151,167,218**	133,041,882
Other expenses	**3,045,442**	3,619,282
Depreciation and amortization	**94,087,170**	82,647,358
	554,411,591	497,724,779
Operating income	**109,227,593**	121,232,860
Interest income	**3,203,708**	5,654,453
Interest expense	**(22,173,862)**	(23,122,066)
Foreign currency exchange loss, net	**(75,872,579)**	(5,797,076)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	**20,737,449**	(12,222,459)
Equity interest in net loss of associated companies	**(1,410,372)**	(4,342,135)
Profit before income tax	**33,711,937**	81,403,577
Income tax (Note 6)	**12,886,541**	37,293,663
Net profit for the period	**20,825,396**	44,109,914
Net profit for the period attributable to:		
Equity holders of the parent	**19,391,632**	42,839,347
Non-controlling interests	**1,433,764**	1,270,567
	Ps. 20,825,396	Ps. 44,109,914
Basic and diluted earnings per share attributable to equity holders of the parent	**0.29**	0.62
Other comprehensive (loss) income items:		
Net other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:		
Effect of translation of foreign entities	**Ps. (31,806,413)**	Ps. (12,837,814)
Effect of fair value of derivatives, net of deferred taxes	**28,596**	(327,651)
Items not to be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plan, net of deferred taxes	**(175,834)**	(701,309)
Total other comprehensive loss items for the period, net of deferred taxes	**(31,953,651)**	(13,866,774)
Total comprehensive (loss) income for the period	**Ps. (11,128,255)**	Ps. 30,243,140
Comprehensive (loss) income for the period attributable to:		
Equity holders of the parent	**Ps. (12,985,129)**	Ps. 28,740,795
Non-controlling interests	**1,856,874**	1,502,345
	Ps. (11,128,255)	Ps. 30,243,140

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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

Unaudited Condensed Consolidated Statements of Comprehensive Income

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

	For the three-month periods ended September 30, 2015 Unaudited	2014 Unaudited
Operating revenues:		
Mobile voice services	**Ps. 61,706,414**	Ps. 65,703,764
Fixed voice services	**27,750,125**	31,066,736
Mobile data voice services	**60,346,914**	52,445,744
Fixed data services	**26,028,080**	25,863,394
Paid television	**16,023,423**	17,688,735
Sales of equipment, accessories and computers	**27,010,574**	22,242,629
Other services	**4,738,432**	5,872,982
	223,603,962	220,883,984
Operating costs and expenses:		
Cost of sales and services	**104,263,846**	97,574,897
Commercial, administrative and general expenses	**51,212,300**	49,262,583
Other expenses	**1,394,159**	1,685,059
Depreciation and amortization	**31,565,704**	30,100,402
	188,436,009	178,622,941
Operating income	**35,167,953**	42,261,043
Interest income	**1,033,745**	2,392,193
Interest expense	**(8,040,262)**	(8,821,066)
Foreign currency exchange loss, net	**(45,104,590)**	(8,969,850)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	**2,241,637**	1,926,607
Equity interest in net loss of associated companies	**(21,535)**	(3,483,902)
Profit before (loss) income tax	**(14,723,052)**	25,305,025
Income tax (Note 6)	**(4,915,074)**	14,101,204
Net (loss) profit for the period	**(9,807,978)**	11,203,821
Net (loss) profit for the period attributable to:		
Equity holders of the parent	**(10,575,910)**	10,119,700
Non-controlling interests	**767,932**	1,084,121
	Ps. (9,807,978)	Ps. 11,203,821
Basic and diluted (losses) earnings per share attributable to equity holders of the parent	**(0.16)**	0.15
Other comprehensive loss items:		
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Effect of translation of foreign entities	**Ps. (17,952,720)**	Ps. (12,329,281)
Effect of fair value of derivatives, net of deferred taxes	**10,256**	(328,968)
Items not to be reclassified to loss in subsequent periods:		
Remeasurement of defined benefit plan, net of deferred taxes	**(174,470)**	(1,478,004)
Total other comprehensive loss items for the period, net of deferred taxes	**(18,116,934)**	(14,136,253)
Total comprehensive loss for the period	**Ps. (27,924,912)**	Ps. (2,932,432)
Comprehensive loss for the period attributable to:		
Equity holders of the parent	**Ps. (26,994,117)**	Ps. (3,707,771)
Non-controlling interests	**(930,795)**	775,339
	Ps. (27,924,912)	Ps. (2,932,432)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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

Unaudited Condensed Consolidated Statements of Changes in Equity

For the nine-month period ended September 30, 2015

(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes, net of deferred taxes	Remeasurement of defined benefit plan, net of deferred taxes	Effect of translation of foreign entities	Total equity attributable to equity holders of the parent
Balance at December 31, 2014 (audited)	**Ps. 96,382,631**	**Ps. 358,440**	**Ps. 191,975,968**	**Ps. (1,556,693)**	**Ps. (62,992,683)**	**Ps. (39,783,387)**	**Ps. 184,384,276**
Net profit for the period			**19,391,632**				**19,391,632**
Remeasurement of defined benefit plan, net of deferred taxes					**(150,039)**		**(150,039**
Effect of fair value of derivative financial instruments acquired for hedging purposes, net of deferred taxes				**28,227**			**28,227**
Effect of translation of foreign entities						**(32,254,949)**	**(32,254,949**
Comprehensive income (loss) for the period			**19,391,632**	**28,227**	**(150,039)**	**(32,254,949)**	**(12,985,129**
Dividends declared			**(37,192,594)**				**(37,192,594**
Repurchase of shares	**(8,279)**		**(30,996,214)**				**(31,004,493**
Derecognition of the equity method investment in KoninKlijke KPN, with retained available for sale financial interest (Note 5)				**1,458,894**	**(2,060,910)**	**348,593**	**(253,423**
Other acquisitions of non-controlling interests			**(1,844,790)**				**(1,844,790**
Balance at September 30, 2015 (unaudited)	**Ps. 96,374,352**	**Ps. 358,440**	**Ps. 141,334,002**	**Ps. (69,572)**	**Ps. (65,203,632)**	**Ps. (71,689,743)**	**Ps. 101,103,847**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements**.**

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

Unaudited Condensed Consolidated Statements of Changes in Equity

For the nine-month period ended September 30, 2014

(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes, net of deferred taxes	Remeasurement of defined benefit plan, net of deferred taxes	Effect of translation of foreign entities	Total equity attributable to equity holders of the parent
Balance at December 31, 2013 (audited)	**Ps.96,392,339**	**Ps.358,440**	**Ps.196,960,472**	**Ps. (1,237,332)**	**Ps. (56,367,265)**	**Ps. (33,706,043)**	**Ps.202,400,61**
Net profit for the period			**42,839,347**				**42,839,34**
Remeasurement of defined benefit plan, net of deferred taxes					**(699,009)**		**(699,00**
Effect of fair value of derivative financial instruments acquired for hedging purposes, net of deferred taxes				**(328,035)**			**(328,03**
Effect of translation of foreign entities						**(13,071,508)**	**(13,071,50**
Comprehensive income for the period			**42,839,347**	**(328,035)**	**(699,009)**	**(13,071,508)**	**28,740,79**
Dividends declared			**(16,677,120)**				**(16,677,12**
Repurchase of shares	**(7,051)**		**(24,335,587)**				**(24,342,63**
Acquisitions of none-controlling interest arising on business combination of Telekom Austria				**7,935**	**100**	**(279,000)**	**(270,96**
Other acquisitions of non-controlling interests			**(19,234)**			**6,960**	**(12,27**
Balance at September 30, 2014 (unaudited)	**Ps.96,385,288**	**Ps.358,440**	**Ps.198,767,878**	**Ps. (1,557,432)**	**Ps. (57,066,174)**	**Ps. (47,049,591)**	**Ps.189,838,40**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements**.**

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

Unaudited Condensed Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

	For the nine-month period ended September 30, 2015 Unaudited	2014 Adjusted (Note 2)
Operating activities		
Profit before income tax	**Ps. 33,711,937**	Ps. 81,403,577
Items not requiring the use of cash:		
Depreciation	**84,177,730**	74,307,013
Amortization of intangible and others assets	**9,909,440**	8,340,345
Loss (gain) on derecognition of equity method investment	**(11,988,038)**	3,172,218
Equity interest in net loss of associated companies	**1,410,372**	4,342,135
Loss on sale of property, plant and equipment	**92,314**	114,238
Net period cost of labor obligations	**7,129,770**	5,221,709
Foreign currency exchange loss, net	**63,230,214**	2,263,621
Interest income	**(3,203,708)**	(5,654,453)
Interest expense	**22,173,862**	23,122,066
Employee profit sharing	**2,727,445**	3,135,686
Gain in valuation of derivative financial instruments, capitalized interest expense and other, net	**(11,648,031)**	(4,897,901)
Loss on partial sale of investment in associated company	**520,059**	5,327,283
Working capital changes:		
Accounts receivable from subscribers, distributors and other	**(15,040,975)**	6,466,890
Prepaid expenses	**(3,509,048)**	2,092,591
Related parties	**(68,194)**	(858,225)
Inventories	**1,855,981**	3,325,464
Other assets	**(12,347,992)**	(6,592,808)
Employee benefits	**(1,608,738)**	(9,481,777)
Accounts payable and accrued liabilities	**7,371,993**	(12,137,181)
Employee profit sharing paid	**(4,055,711)**	(4,412,466)
Financial instruments and other	**(5,660,252)**	2,688,249
Deferred revenues	**(1,163,001)**	(28,500)
Interest received	**3,980,066**	3,853,342
Income taxes paid	**(41,102,385)**	(24,247,756)
Net cash flows provided by operating activities	**126,895,110**	160,865,360
Investing activities		
Purchase of property, plant and equipment	**(93,972,426)**	(80,173,779)
Proceeds from sale of plant, property and equipment	**22,362**	102,103
Dividends received from associates	**1,643,287**	99,953
Purchase of telecommunications licenses	**(11,762,047)**	(1,018,190)
Purchase of trademarks	**(646,392)**	
Acquisition of business, net of cash acquired	**(3,660,853)**	(11,075,229)
Proceeds from partial sale of investment in associated company	**633,270**	12,066,037
Investments in associated companies	**(178,015)**	(3,784,676)
Net cash flows used in investing activities	**(107,920,814)**	(83,783,781)
Financing activities		
Loans obtained	**160,142,529**	45,372,479
Repayment of loans	**(88,162,847)**	(22,185,648)
Interest paid	**(26,148,498)**	(25,375,440)
Repurchase of shares	**(31,235,620)**	(24,721,105)
Dividends paid	**(28,904,362)**	(8,232,537)
Derivative financial instruments	**(382,977)**	489,560
Acquisitions of other non-controlling interests	**(1,025,762)**	(148,116)
Net cash flows used by financing activities	**(15,717,537)**	(34,800,807)
Net increase in cash and cash equivalents	**3,256,759**	42,280,772
Adjustment to cash flows due to exchange rate fluctuations	**143,689**	(715,871)

Cash and cash equivalents at beginning of the period	**66,473,703**	48,163,550
Cash and cash equivalents at end of the period	**Ps. 69,874,151**	Ps. 89,728,451

Non-cash transactions related to:

	2015	2014
Investing activities		
Purchases of property, plant and equipment in accounts payable at period end	**Ps. 3,818,600**	Ps. 5,096,567

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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

1. Description of the business

América Móvil, S.A.B. de C.V. and subsidiaries (hereinafter, the "Company", "América Móvil" or "AMX") was incorporated under laws of Mexico on September 25, 2000. The Company provides 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 services, 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 countries where it has a presence, and such licenses have different dates of expiration through 2046.

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.

The corporate offices of América Móvil are located in Mexico City at Lago Zurich # 245, Colonia Ampliación Granada, Miguel Hidalgo, zip code 11529.

The accompanying unaudited interim condensed consolidated financial statements were approved for their issuance by the Company's Chief Financial Officer on March 4, 2016. Subsequent events have been considered through the same date.

Relevant events

During the nine months ended September 30, 2015, there was currency depreciation mainly in the Mexican peso against the US dollar and the euro, and the Brazilian reals against the US dollar, euro and the Mexican peso. Because a significant portion of the Company debt is denominated in US dollar and euro, as well as the fact that a significant portion of the Company's operations have the Brazilian reals functional currency, the currency depreciation affected adversely the results of the Company as part of the foreign exchange loss of the period.

Debt issued during 2015 is discussed in Note 7.

2. Basis of Preparation of the Unaudited Interim Condensed Consolidated Financial Statements and Changes in Significant Accounting Policies and Practices

a) Basis of preparation

The accompanying unaudited interim condensed consolidated financial statements for the nine and three-months ended September 30, 2015 and 2014 have been prepared in conformity with the International Accounting Standard No. 34, *Interim Financial Reporting* ("IAS 34"), and using the same accounting policies applied in preparing the annual financial statements, except as explained below.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's audited annual consolidated financial statements as of December 31, 2013 and 2014, and for the three year period ended December 31, 2014 as included in the Company's Annual Report on Form 20-F for the year ended December 31, 2014 (the "2014 Form 20-F").

The preparation of these unaudited interim condensed consolidated financial statements in accordance with IAS 34 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.

The Mexican peso is the functional and reporting currency of the Company in Mexico.

b) Retrospective adjustments

The following amounts in the unaudited condensed consolidated statements of financial position ended December 31, 2014, comprehensive income and cash flows for the three and nine month period ended September 30, 2014, have been retrospectively adjusted to conform to the presentation for the three and nine month period ended September 30, 2015:

	As previously reported	Retrospective adjustments	2014, as adjusted
In the Consolidated statements of financial position:			
Property, plant and equipment, net	Ps. 595,596,318	Ps. (7,490,138)	Ps. 588,106,180
Intangibles, net	109,829,650	7,490,138	117,319,788
	Ps. 705,425,968	Ps. —	Ps. 705,425,968
Taxes payable	32,554,727	3,279,356	35,834,083
Deferred income taxes	17,469,798	(3,279,356)	14,190,442
	Ps. 50,024,525	Ps. —	Ps. 50,024,525

	As previously reported	Retrospective adjustments	2014, as adjusted
In the Consolidated Statement of Comprehensive income:			
Operating costs and expenses			
Other expenses	Ps. 6,791,500	Ps. (3,172,218)	Ps. 3,619,282
Depreciation and amortization	85,137,880	(2,490,522)	82,647,358
	91,929,380	(5,662,740)	86,266,640
Interest income	9,666,717	(4,012,264)	5,654,453
Interest expense	(29,233,301)	6,111,235	(23,122,066)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	(6,951,270)	(5,271,189)	(12,222,459)
Equity interest in net loss of associated companies	(1,851,613)	(2,490,522)	(4,342,135)
	Ps. 120,298,847	Ps. —	Ps. 120,298,847

	For the three-month period ended September 30, 2014		
	As previously reported	Retrospective adjustments	As adjusted
Operating costs and expenses			
Other expenses	Ps. 4,857,277	(3,172,218)	Ps. 1,685,059
Depreciation and amortization	31,550,974	(1,450,572)	30,100,402
	36,408,251	(4,622,790)	31785,461
Interest income	3,857,737	(1,465,544)	2,392,193
Interest expense	(10,953,496)	2,132,430	(8,821,066)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	5,765,711	(3,839,104)	1,926,607
Equity interest in net loss of associated companies	(2,033,330)	(1,450,572)	(3,483,902)
	Ps. 39,771,629	Ps. —	Ps. 39,771,629

	2014, As previously reported	Retrospective adjustments	2014, as adjusted
In the Consolidated Statements of Cash flows:			
Operating activities			
Depreciation	Ps. 76,797,535	Ps. (2,490,522)	Ps. 74,307,013
Equity interest in net income of associates	1,851,613	2,490,522	4,342,135
Interest income	(9,666,717)	4,012,264	(5,654,453)
Interest expense	29,233,301	(6,111,235)	23,122,066
Loss (gain) in valuation of derivative financial instruments, capitalized interest expense and other, net	(6,996,872)	2,098,971	(4,897,901)
	Ps. 91,218,860	Ps. —	Ps. 91,218,860

Retrospective adjustments to the December 31, 2014 consolidated balance sheet reflect the reclassification of certain licenses and computer software that were included as part of property, plant and equipment that are more appropriately presented as intangible assets and a transfer from deferred income taxes to taxes payable that also are more appropriately presented as taxes payable.

Retrospective adjustments to the 2014 statement of operations and cash flows reflect the reclassification to conform the presentation of interest expense and interest income as well as the allocation of effects for recognizing the consolidation of Telekom Austria.

c) New standards, interpretations and amendments thereof

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2014, except for the adoption of new standards and interpretations effective as of January 1, 2015.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Company or the interim condensed consolidated financial statements of the Company.

The nature and the impact of each new standard or amendment are described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment was effective for annual periods beginning on or after July 1, 2014. This amendment is not relevant to the Company due to the structure of its benefit plans.

Annual Improvements 2010-2012 Cycle

These improvements are effective from July 1, 2014 and the Company has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition.
- A performance target must be met while the counterparty is rendering service.
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group.
- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement was not relevant to the Company due to it does not have share-base payments.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This improvement was not relevant to the Company as its business combinations contracts do not contain contingent consideration.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that an entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The Company adopted this amendment in its financial statements as of December 31, 2014. The Company does not present a reconciliation of segment assets to total assets as they are the same as shown on the face of the balance sheet.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. This improvement was not relevant to the Company as it did not record any revaluation adjustments during the current interim period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Company as it does not receive any management services from other entities.

Annual Improvements IFRS 2011 – 2013 cycle

These improvements are effective from July 1, 2014 and the Company has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that joint arrangements, not just joint ventures, are outside the scope of IFRS 3. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Since America Movil, S.A.B. de C.V. is not a joint arrangement, this amendment is not relevant to the Company or its subsidiaries.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Company does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Company has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Company.

Standards issued but not yet effective and annual improvements

The Company has not early adopted any other IFRS interpretation or amendment that has been issued but is not yet effective.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are as describe below. The Company is in process of analyzing its impact in its financial statement and the relative notes.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities, which is still in process of being determined.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company has yet to quantify the impact these amendments will have on its financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company has yet to quantify the impact these amendments will have on its financial statements.

Amendments to IFRS 10 and IAS 28:

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

Annual Improvements IFRS 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after January 1, 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Company's consolidated financial statements.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016.

IFRS 16 Leases

IFRS 16 Leases was issued in January 2016 and requires to the entities to recognize most leases on their balance sheets. Lessees will have a single accounting model for all leases, with certain exceptions. Lessor accounting is substantially unchanged. IFRS 16 does not require a company to recognize assets and liabilities for (a) short-term leases (i.e. leases of 12 months or less), and (b) leases of low-value assets. The new standard will be effective from January 1, 2019, with limited early application permitted if IFRS 15 is also applied at the same time. The Company has yet to quantify the impact these amendments will have on its consolidated financial statements.

3. Related Parties

a) The following is an analysis of the balances with related parties at September 30, 2015 and December 31, 2014. 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.

	September 30, 2015	December 31, 2014
Accounts receivable:		
Sanborns Hermanos, S.A.	**Ps. 41,668**	Ps. 254,423
Sears Roebuck de México, S.A. de C.V.	**116,023**	220,501
Patrimonial Inbursa, S.A.	**154,439**	182,753
Other	**482,977**	662,430
Total	**Ps. 795,107**	Ps. 1,320,107
Accounts payable:		
Fianzas Guardiana Inbursa, S.A. de C.V.	**Ps. 491,311**	Ps. 452,333
Operadora Cicsa, S.A. de C.V.	**299,350**	667,358
Procisa do Brasil Projetos, Construções e Instalações, LTDA	**235,540**	599,625
PC Industrial, S.A. de C.V.	**61,013**	180,560
Microm, S.A. de C.V.	**10,130**	29,710
Grupo Financiero Inbursa, S.A.B. de C.V.	**38,667**	35,678
Acer Computec México, S.A. de C.V.	**9,469**	29,612
Sinergia Soluciones Integrales de Energia, S.A. de C.V.	**71,070**	61,098
Eidon Software, S.A. de C.V.	**—**	69,911
Other	**797,902**	961,407
Total	**Ps. 2,014,452**	Ps. 3,087,292

b) For the nine-month periods ended September 30, 2015 and 2014, the Company conducted the following transactions with related parties:

	2015	2014
Revenues:		
Sale of long-distance services and other telecommunications services	**Ps. 200,261**	Ps. 227,151
Sale of materials and other services	**427,657**	349,986
Call termination revenues and other	**29,080**	200,610
	Ps. 656,998	Ps. 777,747

	2015	2014
Investments and expenses:		
Construction services, purchases of materials, inventories and property, plant and equipment	**Ps. 4,187,321**	Ps. 3,588,426
Insurance premiums, fees paid for administrative and operating services, brokerage services and others	**1,438,652**	1,421,412
Interconnection cost and others (1)(2)	**748,973**	6,860,755
	Ps. 6,374,946	Ps. 11,870,593

(1) On June 27, 2014, Inmobiliaria Carso, S.A. de C.V. and Control Empresarial de Capitales, S.A. de C.V. acquired AT&T's ownership interest in the Company. Therefore, since such date, AT&T is no longer considered a related party and is thus it is included as a related party in the 2014 disclosures above through June 27, 2014.

(2) In 2014, this amount includes the cost of buying airtime, long-distance services and megabytes navigation for value added services of Ps.6,008,380 from AT&T subsidiaries.

c) For the three-month periods ended September 30, 2015 and 2014, the Company conducted the following transactions with related parties:

	2015	2014
Revenues:		
Sale of long-distance services and other telecommunications services	**Ps. 69,202**	Ps. 74,853
Sale of materials and other services	**145,923**	117,753
Call termination revenues and other	**805**	4,048
	Ps. 215,930	Ps. 196,654

	2015	2014
Investments and expenses:		
Construction services, purchases of materials, inventories and property, plant and equipment	**Ps. 1,434,030**	Ps. 1,472,414
Insurance premiums, fees paid for administrative and operating services, brokerage services and others	**487,094**	559,243
Interconnection cost and others	**109,389**	565,612
	Ps. 2,030,513	Ps. 2,597,269

4. Property, plant and equipment

During the nine-month periods ended September 30, 2015 and 2014, the Company made cash payments as an investment in plant and equipment in order to increase and update its transmission network and other mobile and fixed assets for an amount of approximately Ps.93,972,426 and Ps.80,173,779, respectively.

5. Investments in Associates

The balance of the Company's investments in associates as of December 31, 2014 primarily represented the Company's European investment Koninklijke KPN N.V. (KPN). During the nine months ended September 30, 2015, the carrying value of the Company's investments in associates decreased by Ps.45,466,805 due to the fact that the Company's Board of Directors approved a decision to divest its KPN ownership interests. The Company evaluated several mechanisms for the disposal, including but not limited to potential: (i) accelerated market sales, (ii) direct sale options in the market, and (iii) open offers to operators. During this process, AMX received various offers and, eventually, initiated a scheme of issuing two bonds exchangeable (at the Company's option) with KPN shares in amounts of EUR 3,000,000 and EUR 750,000, which approximates 19.55% of the outstanding shares of KPN (See Note 7).

During the nine months ended September 30, 2015, the Company also reached a conclusion that it no longer exercised significant influence over KPN and thus discontinued the use of equity method accounting. This conclusion was due to both past and current events, including the Company's publicly announced intentions to dispose of its investment, the issuance of the exchangeable bonds, decreased representation on KPN's Board of Supervisors, and an evaluation of the future prospects to exercise significant influence over KPN's operations. The Company derecognized its equity method investment (Ps.39,472,282), and thereafter recorded its financial interest in KPN at its Level 1 fair market value with prospective changes in fair market value being recorded through other comprehensive income. The Company has also de-recognized amounts previously recorded in accumulated other comprehensive income. These events resulted in a gain of Ps.11,988,038 being recorded in the financial statement line item "Valuation of derivatives interest cost from labor obligations an others financial items". As of September 30, 2015, the fair value of the net investment in shares of KPN is Ps.42,920,106, which is included in other investments in the accompanying consolidated statement of financial position. Because the underlying KPN shares are available for sale on an internationally recognized exchange, and may be readily sold to other parties if the Company so decides, the Company intends to sell the KPN shares within the next twelve months, and has thus classified them as a current asset.

Acquisitions in 2015

In September 2015,Telekom Austria acquired 100% of Bultel Cable Bulgaria EAD, the holding company of the cable operator Blizoo Media and Broadband EAD ("Blizoo Bulgaria"), which is the second largest fixed-line operator in Bulgaria. The company currently has approximately 373,000 subscribers, which obtain fixed voice, broadband and TV products via DOCSIS 3 technology. The amount paid amounted to Ps.2,986,716. The acquired companies will be fully consolidated beginning October 2015.

During 2015, the Company acquired an equity interest in other entities for an amount of Ps.852,152.

a) Pro forma financial data

Telekom Austria was consolidated beginning July 1, 2014 after acquiring control of it. As of December 31, 2014 and September 30, 2015, the Company owns 59.7% of its outstanding shares. The following pro forma consolidated financial data for the period ended September 30, 2014 is based on the Company's available historical financial statements adjusted to give effect to (i) the acquisition of Telekom Austria; (ii) certain accounting adjustments of the assets and liabilities of the acquired company and (iii) certain assumptions that the management believes are reasonable.

The pro forma results of operations assume that the acquisition was completed at January 1, 2014. The pro forma financial data is not intended to indicate what the operations of the Company would have been if the operations were occur at that date, or predict the results of the operations of the Company.

		Unaudited pro forma consolidated financial data for the nine month period ended September 30, 2014
Operating revenues	Ps.	654,527,629
Income before income taxes		80,121,307
Net income		43,298,564

6. Income Tax

An analysis of income tax (benefit) expense charged to results of operations for the nine-month periods ended September 30, 2015 and 2014 is as follows:

	2015	2014
Current period income tax	**Ps. 33,189,640**	Ps. 39,767,701
Deferred income tax	**(20,303,099)**	(2,474,038)
Total	**Ps. 12,886,541**	Ps. 37,293,663

In Other Comprehensive Income (loss):

	2015	2014
Deferred tax related to items recognized in OCI during the period		
Effect of fair value of derivatives	**Ps. (12,255)**	Ps. (6,260)
Remeasurement of defined benefit plan	**(158,066)**	(280,309)
Deferred tax charged to OCI	**Ps. (170,321)**	Ps. (274,049)

An analysis of income tax expense the consolidated statements of comprehensive income for the three-month periods ended September 30, 2015 and 2014 is as follows:

	2015	2014
Current period income tax	**Ps. 3,581,312**	Ps.14,730,489
Deferred income tax	**(8,496,386)**	(629,285)
Total	**Ps. (4,915,074)**	Ps.14,101,204

Other Comprehensive Income (Loss):

	2015	2014
Deferred tax related to items recognized in OCI during the year		
Effect of fair value of derivatives	**Ps. (4,396)**	Ps. 8,154
Remeasurement of defined benefit plan	**(145,945)**	(280,309)
Deferred tax charged to OCI	**Ps. (150,341)**	Ps.(272,155)

The Company's effective tax rate was 38.2% and 45.8% for the nine months ended September 30, 2015 and 2014, respectively. The Company's effective tax rate was 33.4% and 55.7% for the three months ended September 30, 2015 and 2014, respectively.

Significant differences between the effective tax rate and the statutory tax rate for the nine-month period ended September 30, 2015 and 2014 were taxable inflationary effects in 2015 and the impact in 2015 related to derecognition of investment in KPN.

For the three-month periods ended September 30, 2015 and 2014 the effective tax rate is affected by the pre-tax loss in 2015 compared to the pre-tax profit in 2014 along with equity interest in net loss of associated companies recorded in 2015 (net profit recorded in 2014). Net operating loss ("NOL") carry-forwards existing at December 31, 2014 are disclosed in the Company's annual consolidated financial statements included in the 2014 Form 20-F. For the nine months ended September 30, 2015, the NOL carryforwards increased primarily as a result of foreign currency exchange losses recorded in Brazil. As of September 30, 2015, the Company believes that it is more likely than not that the accumulated balances of its net deferred tax assets are recoverable, based on the positive evidence of the Company to generate taxable temporary differences related to the same taxation authority which will result in taxable amounts against which the available tax losses can be utilized before they expire. Positive evidence includes the Company's recent merge of its operations in Brazil, resulting in an organizational structure that is more efficient and profitable.

7. Debt

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

		At September 30, 2015		
Currency	Loan	Interest rate	Maturity from October 2015 to	Total
U.S. dollars				
	Fixed-rate Senior notes (i)	2.375% - 6.375%	2042	Ps. 202,724,669
	Floating rates Senior notes (i)	L + 1.0%	2016	12,755,475
	Lines of credit (iii)	3.5% - 8.0% & L + 0.22% - 2.10%	2024	34,403,299
	Subtotal U.S. dollars			249,883,443
Mexican pesos				
	Fixed-rate Senior notes (i) (ii)	4.75% - 9.00%	2037	95,970,487
	Floating rate Senior notes (i) (ii)	TIIE + 0.5% & 1.25%	2020	6,500,000
	Lines of credit (iii)	TIIE + 0.05% - 1.00%	2016	17,783,349
	Subtotal Mexican pesos			120,253,836
Euros				
	Fixed-rate Senior notes (i)	1.0% - 6.375%	2073	242,962,088
	Lines of credit (iii)	3.10% - 5.41%	2019	11,354,211
	Subtotal Euros			254,316,299
Pounds sterling				
	Fixed-rate Senior notes (i)	4.375% - 6.375%	2073	70,753,769
	Subtotal Sterling pounds			70,753,769
Swiss francs				
	Fixed-rate Senior notes (i)	1.125% - 2.00%	2018	14,328,559
	Subtotal Swiss francs			14,328,559
Brazilian reais				
	Lines of credit (iii)	3.00% - 9.50%	2020	2,842,724
	Subtotal Brazilian reais			2,842,724
Colombian pesos				
	Fixed-rate Senior notes (i)	7.59%	2016	2,451,452
	Subtotal Colombian pesos			2,451,452
Other currencies				
	Fixed-rate Senior notes (i)	1.53% - 3.96%	2039	5,652,635
	Financial Leases	5.05% - 8.97%	2027	271,500
	Subtotal other currencies			5,924,135
	Total debt			720,754,217
	Less: Short-term debt and current portion of long-term debt			132,884,388
	Long-term debt			Ps. 587,869,829

Currency	Loan	At December 31, 2014 Interest rate	Maturity from January 2015 to	Total
U.S. dollars				
	Fixed-rate Senior notes (i)	2.375% -7.5%	2042	Ps. 210,126,663
	Floating rates Senior notes (i)	L + 1.0%	2016	11,038,500
	Financial Leases	3.75%	2015	106,862
	Lines of credit (iii)	4.00% -7.70% y L + 2.10%	2024	14,600,011
	Subtotal U.S. dollars			235,872,036
Mexican pesos				
	Fixed-rate Senior notes (i) (ii)	6.00% - 9.00%	2037	78,200,265
	Floating rate Senior notes (i) (ii)	TIIE + 0.40% - 1.25%	2016	6,600,000
	Lines of credit (iii)	TIIE + 0.05% - 1.00%	2015	311,048
	Subtotal Mexican pesos			85,111,313
Euros				
	Fixed-rate Senior notes (i)	1.00% - 6.375%	2073	177,127,119
	Lines of credit (iii)	3.10% - 5.41%	2019	11,903,748
	Subtotal Euros			189,030,867
Pounds sterling				
	Fixed-rate Senior notes (i)	4.375% - 6.375%	2073	63,047,129
	Subtotal Sterling pounds			63,047,129
Swiss francs				
	Fixed-rate Senior notes (i)	1.125% - 2.25%	2018	15,542,492
	Subtotal Swiss francs			15,542,492
Brazilian reais				
	Lines of credit (iii)	3.0% - 6.00%	2019	4,435,774
	Subtotal Brazilian reais			4,435,774
Colombian pesos				
	Fixed-rate Senior notes (i)	7.59%	2016	2,768,322
	Subtotal Colombian pesos			2,768,322
Other currencies				
	Fixed-rate Senior notes (i)	1.23% - 3.96%	2039	7,582,720
	Financial Leases	5.05% - 8.97%	2027	364,334
	Subtotal other currencies			7,947,054
	Total debt			603,754,987
	Less: Short-term debt and current portion of long -term debt			57,805,517
	Long-term debt			Ps. 545,949,470

L = LIBOR o London Interbank Offer Rate
TIIE = Tasa de Equilibrio Interbancario
Euribor = Euro Interbank Offered Rate

Except for the fixed-rate 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 September 30, 2015 and December 31, 2014, was approximately 4.3% and 4.7%, respectively.

Such rates do not include commissions or the reimbursements for Mexican tax withholdings (typically a tax rate of 4.5%) 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 maturities as of September 30, 2015 and December 31, 2014, is as follows:

	2015	2014
Domestic Senior Notes (Certificados Bursátiles)		Ps. 4,600,000
International Senior Notes	Ps. 72,706,204	35,315,148
Lines of credit	55,988,459	14,814,203
Financial Leases		106,862
Subtotal short-term debt	Ps. 128,694,663	Ps. 54,836,213
Weighted average interest rate	3.7%	4.0%

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

Years	Amount
2016	Ps. 4,387,406
2017	48,319,060
2018	29,637,875
2019	50,149,213
2020	47,654,988
2021 and thereafter	407,721,287
Total	Ps. 587,869,829

(i) Senior Notes

The outstanding Senior Notes at September 30, 2015 and December 31, 2014 are as follows:

Currency*	**2015**	2014
U.S. dollars	**Ps. 215,480,144**	Ps. 221,165,163
Mexican pesos	**102,470,487**	84,800,265
Euros	**242,962,088**	177,127,119
Pounds sterling	**70,753,769**	63,047,129
Swiss francs	**14,328,559**	15,542,492
Japanese yen	**2,567,836**	2,224,042
Chinese yuan		2,371,767
Colombian pesos	**2,451,451**	2,768,321
Chilean pesos	**3,084,799**	2,986,911

* Thousands of Mexican pesos

In May 2015, the Company placed bonds for an amount of EUR 3,000,000 which may be settled in cash at the Company's option or exchangeable into ordinary shares of KPN. The bonds have a maturity of five years and pay no interest. An exchange premium agreed for the issue was set at 45 % of the closing price, which was at a value of EUR 3.38 per share, resulting in an exchange price of EUR 4.90 per share for which the Company recorded long-term embedded derivatives for an amount of Ps.2,710,740. At September 30, 2015 the closing price of the stock was EUR 3.34.

The Company has classified the EUR 3,000,000 bond as a long-term obligation in its accompanying September 30, 2015 interim condensed consolidated financial statements given that the underlying exchange option is currently out of the money, and the Company believes that it will likely remain out of the money for at least the next twelve months thereby making the option non-substantive in so far as the Company's evaluation of whether the bond should be classified as a short-term liability as of September 30, 2015 pursuant to IAS 1.69. Under the terms of the exchangeable bond agreement, none of the exchange property (specifically, the KPN shares) has been or will be charged or otherwise placed in custody or set aside to secure or satisfy the Company's obligations, and as explained above the Company has a cash settlement option for the bond. At any time the Company may or may not be the owner of the whole or any part of this property and may sell or otherwise dispose of the same or take any action or exercise any rights or options in respect of the same at any time.

In September 2015, the Company completed the placement of EUR 750,000 principal amount of mandatory exchangeable bonds which may be settled in cash at the Company's option or exchangeable into ordinary shares of KPN. The Bonds will have a maturity of 3 years and will pay a coupon of 5.5% per year payable quarterly in arrears, as well as an additional interest corresponding to 85 per cent of the gross amount of cash dividends and distributions received in relation to the underlying KPN ordinary shares. The reference price of the KPN share for its exchange was set at EUR 3.33 and the maximum exchange price would be EUR 4.25 (Reference Price plus 27.5%). As a result of the Company's mandatory exchangeable bond maturing September 2018, the Company placed 224,726 million of ordinary shares of KPN in an irrevocable trust in favor of the bond trustee and the bond holders. The aforementioned conditions allowed the Company to derecognize a portion of its investment in shares in KPN corresponding to the 224,726 million of ordinary shares of KPN of its interim condensed consolidated financial position as of September 30, 2015.

In August 2015, the subsidiary Operadora de Sites Mexicanos S.A. de C.V. (See Note 13), issued Domestic Senior Notes amounting to Ps.18,684,000 in three tranches: i) Ps.4,500,000 maturing in 5 years with a floating interest rate of TIIE28 + 50bp; ii) Ps.7,210,000 maturing in 10 years with an annual fixed interest rate of 7.97%; and iii) 1,324 million of Units of Investment (UDIS) (equivalent to approximately Ps 6,974 million) maturing in 15 years with an interest rate of 4.75% above Mexican inflation rate.

Since November 2012, the Global Notes Program of Mexican pesos were launched with a maximum amount of Ps.10,000,000 placement for a period of 5 years with the intention to increase the proportion of Mexican pesos in the balance of liabilities of America Movil. This program has the advantage of registering with the SEC notes both in the US and with the National Banking and Securities Commission ("CNBV") in Mexico, allowing seamless operation for domestic and international investors of such Notes. In the first quarter of 2015 the Company placed Global Notes Program of Mexican pesos with a bond maturing in 2024 and a coupon of 7.125%.

(ii) Domestic Senior Notes

At September 30, 2015 and December 31, 2014, debt under Domestic Senior Notes aggregate to Ps.41,598,787 and Ps.27,428,565, respectively. In general these issues bear a fixed-rate or floating rate determined as a differential on the TIIE rate (a Mexican interbank rate).

(iii) Lines of credit

At September 30, 2015 and December 31, 2014, debt under Lines of Credit aggregates to Ps.66,383,582 and Ps.30,077,192, respectively.

Likewise, the Company has two revolving syndicated facilities – one for US$2,500,000 and one for the Euro equivalent of US$2,000,000 currently unwilling. The Euro equivalent revolving syndicated facility was amended in July 2013 to increase the amount available to US$2,100,000. Loans under the facility bear interest at variable rates based on LIBOR and EURIBOR. Telekom Austria has also an undrawn revolving syndicated facility in Euros for 1,000,000 at a variable rate based on EURIBOR.

Restrictions:

A portion of the debt is subject to certain restrictions with respect to maintaining certain financial ratios, as well as restrictions on selling a significant portion of groups of assets, among others. At September 30, 2015, the Company was in compliance with all these requirements.

A portion of the debt is also subject to early maturity or repurchase at the option of the holders in the event of a change in control of the Company, as so defined in each instrument. The definition of change in control varies from instrument to instrument; however, no change in control shall be considered to have occurred as long as Carso Global Telecom or its current shareholders continue to hold the majority of the Company's voting shares.

Covenants

In conformity with the credit agreements, the Company is obligated to comply with certain financial and operating commitments. Such covenants limit in certain cases, the ability of the Company or the guarantor to: pledge assets, carry out certain types of mergers, sell all or substantially all of its assets, and sell control over Radiomovil Dipsa, S.A. de C.V. ("Telcel").

Such covenants do not restrict the ability of AMX's subsidiaries to pay dividends or other payment distributions to AMX. The more restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA (defined as Operating Income plus depreciation and amortization) that do not exceed 4 to 1, and a consolidated ratio of EBITDA to interest paid that is not below 2.5 to 1 (in accordance with the clauses included in the credit agreements).

Several of the financing instruments of the Company are subject to early extinguishment or re-purchase, at the option of the debt holder in the case that a change in control occurs.

8. Equity

a) Pursuant to the Company's bylaws, the capital stock of the Company consists of a minimum fixed portion of Ps.397,873 (nominal amount), represented by a total of 95,489,724,196 shares (including treasury shares available for placement in accordance with the provisions of the *Ley del Mercado de Valores*), of which (i) 23,424,632,660 are "AA" shares (full voting rights); (ii) 776,818,130 are "A" shares (full voting rights); and (iii) 71,288,273,406 are "L" shares (limited voting rights), all of them fully subscribed and paid.

b) As of September 30, 2015, the Company's capital stock was represented by 66,210,200,000 shares (23,384,632,660 "AA" shares, 628,159,277 "A" shares and 42,197,408,063 "L" shares), and 68,150,000,000 (23,384,632,660 "AA" shares, 648,994,284 "A" shares and 44,116,373,056 "L" shares), respectively.

c) As of September 30, 2015 and December 31, 2014, the Company's treasury held for placement in accordance with the provisions of the *Ley del Mercado de Valores* and the *Disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes en el Mercado de valores* issued by the *Comisión Nacional Bancaria y de Valores,* a total amount of (i) 29,279,524,196 shares (29,275,809,139 "L" shares and 3,715,057 "A" shares); and (ii) 27,339,724,196 shares (27,338,625,508 "L" shares and 1,098,688 "A" shares), respectively.

d) The holders of "AA" and "A" shares are entitled to full voting rights. The holders of "L" shares may only vote in limited 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 *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 where they may be registered. 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 "AA" shares by non-Mexican investors.

e) Pursuant to the Company's bylaws, "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 "AA" and "A" shares) representing said capital stock.

"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. "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 "AA" and "A" shares), may represent no more than 51% of the Company's capital stock.

Lastly, "L" shares which have limited voting rights and may be freely subscribed, and "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 the Company's shares outstanding.

Dividends

f) On April 30, 2015, the Company's shareholders approved, among others resolution, the (i) payment of a cash dividend of Ps.0.26 per share to each of the shares of its capital stock "AA", "A" and "L", payable in two equal installments each of Ps.0.13; (ii) payment of an extraordinary cash dividend of Ps.0.30 to each of the shares of its capital stock "AA", "A" and "L", payable in a single installment; and (iii) increase the amount of funds available for the Company's buyback program by Ps.35 billion.

g) On April 28, 2014, the Company's shareholders approved, among others resolution, the (i) payment of a cash dividend of Ps.0.24 per share to each of the shares of its capital stock "AA", "A" and "L", payable in two equal installments each of Ps.0.12; and (ii) increase the amount of funds available for the Company's buyback program by Ps.30 billion.

9. Components of other comprehensive loss

An analysis of the components of the other comprehensive loss for the nine-month periods ended September 30, 2015 and 2014 is as follows:

	2015	2014
Valuation of the derivative financial instruments, net of deferred tax	**Ps. 28,227**	Ps. (328,035)
Translation effect of foreign subsidiaries	**(32,254,949)**	(13,071,508)
Remeasurement of defined benefit plans, net of income tax effect	**(150,039)**	(699,009)
Non-controlling interest of the items above	**423,110**	231,778
Other comprehensive loss	**Ps. (31,953,651)**	Ps. (13,866,774)

10. Financial Assets and Liabilities

Set out below is the categorization of the financial instruments, other than cash and cash equivalents, held by the Company as of September 30, 2015 and December 31, 2014:

	September 30, 2015		
	Loans and receivables	**Fair value through profit or loss**	**Fair value through OCI**
Financial Assets:			
Accounts receivable from subscribers, distributors, and other, net	**Ps. 125,316,574**	**Ps. —**	**Ps. —**
Related parties	**795,107**	**—**	**—**
Derivative financial instruments	**—**	**37,978,463**	**—**
Other investments	**12,129,006**		**42,920,106**
Total	**Ps. 138,240,687**	**Ps. 37,978,463**	**Ps. 42,920,106**
Financial Liabilities:			
Debt	**Ps. 720,754,217**	**Ps. —**	**Ps. —**
Accounts payable	**180,329,751**	**—**	**—**
Related parties	**2,014,452**	**—**	**—**
Derivative financial instruments	**—**	**9,297,514**	**114,330**
Total	**Ps. 903,098,420**	**Ps. 9,297,514**	**Ps. 114,330**

	December 31, 2014		
	Loans and receivables	Fair value through profit or loss	Fair value through OCI
Financial Assets:			
Accounts receivable from subscribers, distributors, and other, net	Ps. 122,028,071	Ps. —	Ps. —
Related parties	1,320,107	—	—
Derivative financial instruments	—	22,536,056	—
Total	Ps. 123,348,178	Ps. 22,536,056	Ps. —
Financial Liabilities:			
Debt	Ps. 603,754,987	Ps. —	Ps. —
Accounts payable	191,503,362	—	—
Related parties	3,087,292	—	
Derivative financial instruments	—	8,373,205	154,607
Total	Ps. 798,345,641	Ps. 8,373,205	Ps. 154,607

Fair value hierarchy

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).

The fair value for the financial assets (excluding cash and cash equivalents) and financial liabilities shown in the consolidated statement of financial position at September 30, 2015 and December 31, 2014 is as follows:

	Measurement of fair value at September 30, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Derivative financial instruments	**—**	**Ps. 37,978,463**	**Ps. —**	**Ps. 37,978,463**
Other investments	**Ps. 44,460,788**	**—**	**10,588,324**	**55,049,112**
Pension plan assets	**222,761,080**	**—**	**—**	**222,761,080**
Total	**Ps. 267,221,868**	**Ps. 37,978,463**	**Ps. 10,588,324**	**Ps. 315,788,655**
Liabilities:				
Debt	**Ps. 422,858,553**	**Ps. 348,017,223**	**Ps. —**	**Ps. 770,875,776**
Derivative financial instruments	**—**	**9,411,844**	**—**	**9,411,844**
Total	**Ps. 422,858,553**	**Ps. 357,429,067**	**Ps. —**	**Ps. 780,287,620**

	Measurement of fair value at December 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivative financial instruments	Ps. —	Ps. 22,536,056	Ps. —	Ps. 22,536,056
Pension plan assets	242,360,329	—	—	242,360,329
Total	Ps. 242,360,329	Ps. 22,536,056	Ps. —	Ps. 264,896,385
Liabilities:				
Debt	Ps. 411,497,065	Ps. 229,028,589	Ps. —	Ps. 640,525,654
Derivative financial instruments	—	8,527,812	—	8,527,812
Total	Ps. 411,497,065	Ps. 237,556,401	Ps. —	Ps. 649,053,466

The carrying amount of accounts receivable, accounts payable and related parties approximate their fair value.

Fair values of derivative financial instruments are valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies valuation techniques including forward pricing and swaps models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Fair value of debt Level 2 has been determined using a model based on present value calculation incorporating the Company's credit quality.

For the nine-month period ended September 30, 2015 and the year ended December 31, 2014, no transfers were made between Level 1 and Level 2 fair value measurement hierarchies.

11. Commitments and Contingencies

I. MEXICO

a. América Móvil

Tax Assessment

In December 2014, the Mexican Tax Administration Service (*Servicio de Administración Tributaria* or "SAT"), notified the Company of an assessment of Ps.529,700 related to the Company's tax return for the fiscal year ended December 31, 2005, and reduced the Company's consolidated tax loss from Ps.8,556,000 to zero. The Company has challenged this assessment in federal tax courts and a decision is pending. AMX has not established a provision in the accompanying financial statements for a loss arising from this contingency, which it does not consider probable.

Preponderant Economic Agent Determination

In March 2014, the Company, Telcel, and Teléfonos de México, S.A.B. de C.V. ("Telmex") each filed challenges (*juicios de amparo*) against the declaration by the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones* or "IFT") that, together with certain affiliates, they constitute an economic interest group that is a "preponderant economic agent" (*agente económico preponderante*) in the telecommunications market in Mexico and imposing certain specific asymmetrical regulations. A final resolution to these challenges is pending, during which time the enforceability of the IFT's declaration of preponderance will not be suspended.

b. Telcel

Substantial Market Power Investigations

In 2007, the Federal Antitrust Commission (*Comisión Federal de Competencia*, or "Cofeco") initiated two substantial market power investigations against Telcel and determined that Telcel had substantial market power in the mobile termination services market and in the nationwide wireless voice and data services market. Telcel filed challenges against both decisions and a final resolution of these challenges is pending. If upheld, these decisions, would allow the IFT, who is now conducting these investigations, to impose additional requirements as to rates, quality of service and information, among other matters.

Monopolistic Practices Investigations

In June 2015, the IFT issued a resolution declaring that Telcel had complied with all of the undertakings that had been proposed by IFT's predecessor, Cofeco, in connection with its investigations into Telcel's alleged "relative monopolistic practices" and the revocation of a related fine in May 2012. Six mobile operators challenged the revocation of the fine and the related closing of the investigations. All of those proceedings were resolved on terms favorable to Telcel between 2013 and 2015.

One of the operators also filed a civil proceeding claiming alleged damages arising from the revocation of the fine and the performance of the undertakings proposed by Telcel. This proceeding is still pending.

On a related investigation of Telcel's alleged "relative monopolistic practices", the IFT issued a Probable Cause Finding (*Oficio de Probable Responsabilidad*) in September 2015, which Telcel has challenged. If this investigation is resolved against Telcel, the IFT could impose a material fine on Telcel.

Mobile Termination Rates

The mobile termination rates between Telcel and other mobile operators have been the subject of various legal proceedings, including the following:

- In March 2015, the Company's subsidiaries Telcel, Telmex and Teléfonos del Noroeste, S.A. de C.V. ("Telnor") reached a settlement agreement with Axtel, S.A.B. de C.V. and Avantel, S. de R.L. de C.V. (collectively, "Axtel") to settle all disputes regarding wireless termination rates and other related interconnection matters. The Company made a net payment of Ps.950,000 to Axtel as part of the settlement.
- In connection with certain proceedings (*desacuerdos de interconexión*) that several mobile operators filed with Cofetel requesting that it set mobile termination rates and other interconnection conditions for the years 2011 through 2016, the IFT determined the applicable rates for 2012 through 2016, while those for 2011 had been previously determined by Cofetel. These determinations have been challenged by several mobile operators, including Telcel and are pending final resolution. However, because under the new regulatory framework, the IFT's determinations are not suspended pending legal resolution, Telcel has applied the rates determined by IFT.
- Telcel has challenged all resolutions under the new regulatory framework imposing asymmetric interconnection rates. These challenges are pending final resolution.

In addition, the Company expects that mobile termination rates, as well as other rates applicable to mobile interconnection (such as transit), will continue to be the subject of litigation and administrative proceedings. The Company cannot predict when or how these matters will be resolved or the financial effects of any resolution. As of September 30, 2015, the Company had established provisions in the accompanying financial statements for the losses AMX considered probable and estimable for approximately Ps.1,100,000.

Tax Assessment for Short Message Services Revenues

The SAT has notified Telcel of tax assessments totaling Ps.320,000 for alleged nonpayment of revenues generated by SMS during 2004 and 2005. The SAT claims that Telcel owes such amounts because SMS constitute services under concession. Telcel has challenged the SAT's claim on the grounds that SMS are value-added services which are not under concession. Both claims were unfavorably solved recently by the Judicial Authorities. Telcel paid the 2005 assessment in January 2016. The 2004 assessment is expected to be paid in the first semester of 2016. Telcel established a provision in the accompanying financial statements for the corresponding contingencies totaling an amount of Ps.811,000 as of September 30, 2015.

Class Action Lawsuits

The Federal Consumer Bureau (*Procuraduría Federal del Consumidor*, or "Profeco"), filed a proceeding before Mexican courts in 2011on behalf of customers who alleged deficiencies in the quality of Telcel's network in 2010 and breach of customer agreements. This proceeding is pending, and if it is resolved in favor of Profeco, Telcel's customers would be entitled to compensation for damages.

Telcel is also subject to four class actions filed by the alleged affected groups with respect to quality of service, wireless and broadband rates.

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

In July 2015, a fifth class action related to a technical malfunction in Telcel's network was concluded pursuant to a settlement with Profeco that recognized past compensations by Telcel to its customers in connection with this malfunction.

c. Telmex and Telnor

Substantial Market Power Investigations

In 2007, Cofeco initiated investigations to evaluate whether Telmex and its subsidiary Telnor have substantial power in the markets for termination, origination, traffic and wholesale dedicated-link leasing. Cofeco issued final resolutions concluding that Telmex and Telnor have substantial power in all four markets, a determination that Telmex and Telnor have challenged. The challenges related to the market for origination and traffic have been denied, effectively upholding Cofeco's findings. Consequently, the IFT can impose specific tariff requirements or other special regulations with respect to the matters for which the challenges were denied, such as additional requirements regarding disclosure of information or quality of service. With respect to Telmex and Telnor's challenges against Cofeco regarding its findings for the termination market, these challenges are pending final resolution In the case of the market for wholesale dedicated-link leasing, the IFT's predecessor, Cofetel, published an agreement in the Official Gazette, establishing requirements regarding tariffs, quality of service, and information for dedicated-link leasing. Telmex believes it could have an adverse impact on its revenues and results of operations. Telmex and Telnor have filed a petition for relief against that resolution, and that petition is pending.

Monopolistic Practices Investigations

Telmex and Telnor are the target of three investigations into alleged monopolistic practices originally commenced by Cofeco. In the first two investigations, it was determined that Telmex and Telnor engaged in monopolistic practices in the fixed-network interconnection services market. Telmex and Telnor have filed legal proceedings, including an appeal for relief, against these rulings and their cases are pending resolution. In the opinion of the Company's outside counsel in charge of these matters, the outcome of these proceedings remains uncertain. However, an adverse resolution could have an impact on the Company's future revenues in these markets.

In the third investigation, Cofeco determined in February 2013 that Telmex and Telnor engaged in monopolistic practices in the wholesale market for dedicated-link leasing. Telmex and Telnor challenged that resolution and in November 2015, the Supreme Court of Mexico upheld Cofeco's decision and its fine of Ps. 698,500.

IFT Proceedings Concerning Telmex's Relationship with Dish México

In November 2008, Telmex entered into certain commercial agreements with Dish México, S. de R.L. de C.V. ("Dish México") and its affiliates involving billing, collection services, distribution and equipment leasing. In addition, Telmex had an option that allowed it to purchase 51% of shares representing the capital stock of Dish México. In July 2014, Telmex waived its rights under such option.

In January 2015, the IFT imposed a fine on Telmex for an amount of Ps.14,414 on the grounds that an alleged merger (*concentración*) between Telmex and Dish was not notified in November 2008. Telmex filed an appeal for relief against this resolution and the case is pending. AMX cannot predict the outcome of such inquiry.

In August 2015, the IFT initiated proceedings in order to determine violations to: (i) its concession, with respect to an alleged direct or indirect exploitation of a public television services concession in the country; and (ii) certain provisions of the Mexican Constitution (*Constitución Politica de los Estados Unidos Mexicanos*), and the Federal Telecommunications and Broadcasting Law (*Ley Federal de Telecomunicaciones y Radiocomunicación*), regarding the cost-free rule of retransmission of television broadcast signals (commonly known as "*must offer*"), through other operators.

The administrative proceedings initiated by the IFT are related to the commercial agreements with Dish México, consisting of billing and collection services, distribution and equipment leases. AMX and Telmex are currently analyzing the scope and legal grounds of the alleged violations in order to participate in these proceedings and, as the case maybe, exercise applicable legal remedies.

AMX has not established a provision in the accompanying financial statements for a loss arising from these contingencies, which are not considered probable.

IFT Proceeding Concerning UNO TV

In August 2015, the IFT initiated a proceeding in order to determine violations to certain provisions of the Mexican Constitution, and the Federal Telecommunications and Broadcasting Law, regarding the cost-free rule of retransmission of television broadcast signals through other operators. The administrative proceeding initiated by the IFT is related to the internet service known as "*Uno TV*". AMX and Telmex are currently analyzing the scope and legal grounds of the alleged violations in order to participate in this proceeding and, as the case maybe, exercise applicable legal remedies.

AMX has not established a provision in the accompanying financial statements for a loss arising from these contingencies, which is not considered probable.

Proposed Modification to Reference Terms for Local-Loop Unbundling

In December 2015, the IFT notified Telmex of a resolution through which it modified and authorized the terms and conditions of Telmex's proposed Reference Terms for Local Loop Unbunding (*Oferta de Desagregación Efectiva de la Red Local*). Telmex has challenged this resolution and a decision is pending.

d. Carso Global Telecom

Tax Assessment

In November 2010, the SAT notified Carso Global Telecom, S.A. de C.V. ("CGT") of a tax assessment of Ps.3,392,000 related to the change in the scope of fiscal consolidation in 2005. 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 court, and this challenge is still pending. AMX has not established a provision in the accompanying financial statements for a loss arising from this contingency.

e. Sercotel

Tax Assessment

In March 2012, SAT notified Sercotel, S.A. de C.V. ("Sercotel") and the Company of a fine of approximately Ps.1,400,000 alleged improper tax implications arising from 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 to issue an additional tax assessments of Ps.2,750,000 in connection with this matter. AMX has not established a provision in the accompanying financial statements for a loss arising from this contingency.

II. BRAZIL

Following the merger in 2014 of the Company's subsidiaries Empresa Brasileira de Telecomunicações S.A. ("Embratel"), Embratel Participações S.A. ("Embrapar") and Net Serviços Comunicação, S.A. ("Net Serviços") into Claro S.A. ("Claro Brasil"), Claro Brasil is the legal successor of Embrapar, Embratel and Net Serviços.

a. Tax Matters

Tax charges and contributions calculated and collected by the Company's Brazilian subsidiaries, their income tax returns and their tax and finance records are subject to examination by Brazilian tax authorities for varying periods under applicable legislation.

The principal tax imposed on telecommunications services is a state-level 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"). Each Brazilian state imposes its own tax rate on gross revenues derived from telecommunications services, which varies from state to state and averages 26% nationwide.

Corporate income tax (*Imposto Sobre Renda de Pessoa Jurídica*, or "IRPJ"), is applied at a rate of 25%. The social contribution on net income (*Contribuição Social Sobre o Lucro Líquido*, or "CSLL") is applied at a rate of 9% and subject to calculation and payment rules similar to those applicable to IRPJ.

Withholding tax (*Imposto de Renda Retido na Fonte*, or "IRRF"), is a modality of federal tax over taxable income that applies, among other types of income, to labor and capital income, remittances abroad and remuneration of services provided by legal entities. There are several IRRF rates, each according to the specific activity which generated the earnings.

The principal federal taxes collected on gross revenues include:

- The social integration program (*Programa de Integração Social*, or "PIS"). PIS contributions are applied at a rate of 0.65% on gross revenues derived from telecommunications services in the cumulative method and at a rate of 1.65% in the non-cumulative method.
- The contribution for social security financing (*Contribuição para Financiamento da Seguridade Social*, or "COFINS"). COFINS contributions are applied at a rate of 3.0% on gross revenues derived from telecommunications services in the cumulative method and at a rate of 7.60% in the non-cumulative method.

The principal taxes collected on net revenues include:

- The universalization fund of telecommunications services (*Fundo de Universalização dos Serviços de Telecomunicações*, or "FUST"), and the telecommunications technologic development fund (*Fundo para o Desenvolvimento Tecnológico das Telecomunicações*, or "FUNTTEL"). These taxes are applied at a rate of 1% and 0.5%, respectively.
- The telecommunications inspection fund (*Fundo de Fiscalização das Telecomunicações*, or "FISTEL"). The taxes charged to raise this fund aim to provide resources to cover inspection expenditures of telecommunication equipment.

ICMS

The Company's subsidiaries Claro Brasil, Star One S.A. ("Star One"), Primesys Soluções Empresariais S.A. ("Primesys"), Telmex Do Brasil Ltda. ("TdB"), Americel S.A. ("Americel") and TVSAT Telecomunicações S.A. ("TV SAT"), have tax contingencies related to ICMS in the amount of Ps.34,983,000 (approximately R$8,172 million) as of September 30, 2015. The Company has established a provision of Ps.1,914,000 (approximately R$447 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable. Such ICMS contingencies include:

- Star One has received tax assessments in the amount of Ps.11,909,000 (approximately R$2,782 million), mainly based on the allegation that the provision of satellite capacity is subject to ICMS tax. The Company is contesting these tax assessments in separate proceedings in different litigation stages and has obtained two favorable judicial decisions in two proceedings. The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency, which the Company considers possible.
- Claro and Americel have received tax assessments in the amount of Ps.3,917,000 (approximately R$915 million), due to the declaration of unconstitutionality of certain benefits granted by the Brazilian states. The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency, which the Company considers possible.
- Primesys has received a tax assessment in the amount of Ps.2,808,000 (approximately R$656 million), related to ICMS on certain activities not deemed as part of data communication services. The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency, which the Company considers possible.

CSLL/IRPJ

As of September 30, 2015, the Company's subsidiaries Claro Brasil, Americel and Star One have tax contingencies related to IRPJ and CSLL in the amount of Ps.13,193,000 (approximately R$3,082 million). The Company has established a provision of Ps.1,982,000 (approximately R$463 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

These CSLL/IRPJ contingencies include a tax assessment against Claro Brasil in the amount of Ps.7,115,000 (approximately R$1,662 million) alleging the undue amortization of with goodwill amounts between 2009 and 2012 and charging CSLL, IRPJ and penalties due to the late payment of the taxes. Claro Brasil has challenged this assessment at the administrative level. The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency, which the Company considers possible.

PIS/COFINS

As of September 30, 2015, Claro Brasil, Americel, Star One, TdB and Brasil Center Comunicações Ltda. ("Brasil Center"), have received tax assessments in connection with PIS and COFINS in the amount of Ps.18,116,000 (approximately of R$4,232 million). The Company has established a provision of Ps.10,274,000 (approximately R$2,400 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Such contingencies include:

- The lawsuits commenced by Claro Brasil and Americel against the Brazilian Federal Revenue Service seeking a ruling on constitutional grounds to 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 companies paid the tax based on their position in the lawsuit, and established a provision for the disputed amounts, which the companies consider probable. As of September 30, 2015, the total amount in dispute was approximately Ps.10,167,000 (approximately R$2,375 million).
- Tax assessments against Claro Brasil and Americel related to the offset of PIS and COFINS credits recorded in the non-cumulative system (sale of equipment and other activities), in the amount of Ps.5,150,000 (approximately R$1,203 million) as of September 30, 2015. The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency, which the Company considers possible.

FUST/FUNTTEL

The Brazilian Agency of Telecommunications (*Agência Nacional de Telecomunicações*, or "Anatel") has initiated administrative proceedings against Claro Brasil, Americel, Primesys, TdB, Star One and TVSAT totaling Ps.10,201,000 (approximately R$2,383 million) mainly related to an alleged improper exclusion of interconnection revenues and costs from the base used to calculate FUST obligations. The companies are contesting these assessments in separate proceedings in different litigation stages The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency, which the Company considers possible.

Anatel and the Brazilian Ministry of Communications (*Ministério das Comunicações*, or "MINICOM") have also initiated administrative proceedings against Claro, Americel, Primesys, TdB and Star One, TVSAT and Primesys totaling Ps.3,236,000 (approximately R$756 million) as of September 30, 2015, due to an alleged underpayment of their funding obligations for FUST and FUNTTEL. 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 losses arising from these contingencies, which the Company considers possible.

ISS

The Municipal Revenue Services have issued tax assessments against Claro Brasil, Brasil Center and Primesys totaling Ps.5,548,000 (approximately R$1,296 million) due to an alleged nonpayment of ISS over several telecommunication services, including Pay TV services, considered as taxable for ISS by these authorities. The companies have challenged the tax assessments on the grounds that the services cited are not subject to ISS tax, and the challenges are pending. The Company has not established a provision in the accompanying financial statements for the losses arising from these contingencies, which the Company considers possible.

Installation Inspection Fee

Anatel fined Claro Brasil and Americel Ps.8,416,000 (approximately R$1,966 million) as of September 30, 2015 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 fine, arguing that there was no new equipment installation that could lead to this charge, and the challenges are still pending. The Company has not established a provision in the accompanying financial statements and does not consider any loss to be probable.

Other Tax Contingencies

There are several other tax contingencies regarding Claro Brasil, Americel, Embratel, Star One, TdB, Primesys and Net Serviços in the full amount of Ps. 7,902,000 (approximately R$1,846 million) as of September 30, 2015, mostly related to Telecommunication Taxes – EBC Funding, Corporate Income Taxes and Social Contribution on Net Profits, social security taxes (*Instituto Nacional do Seguro Social*, or "INSS"), taxes on industrial products (*Imposto Sobre Produtos Industrializados*, or "IPI"), *Contribuição Provisória sobre Movimentações Financeiras,* or "CPMF", the offsetting of IRPJ, COFINS, CSLL and Brazilian Foreign Paid Income Tax (*Imposto de Renda Retido na Fonte*, or "IRRF") against allegedly improper IRPJ credits, and for not making certain filings in the correct form from 2002 through 2005, to the allegedly nonpayment of the IRRF and CIDE and overpayments related to outbound traffic, and to the Brazilian Economic Intervention Contribution (*Contribuição de Intervenção no Domínio Econômico* or "CIDE"), the public price concerning the administration of numbering resources (*Preço Público Relativo à Administração dos Recursos de Numeração*, or "PPNUM") and import taxes (*Imposto de Importação*, or "II"). The Company has established a provision of Ps.2,984,000 (approximately R$697 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

b. Regulatory Matters

Inflation-Related Adjustments

Anatel challenged the calculation of inflation-related adjustments due under the agreements it had with Tess, S.A. ("Tess"), and Algar Telecom Leste S.A. ("ATL"), two of the Company's Brazilian subsidiaries that were previously merged into Claro Brasil. Anatel rejected Tess and ATL's calculation of the inflation related adjustments applicable to the 60% of the concessions price (which was due in three equal annual installments, subject to inflation-related adjustments and interest), claiming that the companies' calculation of the inflation-related adjustments resulted in a shortfall of the installment payments.

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. In April 2013, the appeal filed by ATL with respect to the declaratory suit was denied, and Claro Brasil filed a new appeal. A decision on ATL's appeal with respect to the consignment action is 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.1,152,000 (approximately R$269 million). Tess obtained an injunction from a federal appeals court suspending payment until the pending appeal is resolved. Similarly, in March 2009, Anatel charged ATL approximately Ps.818,000 (approximately R$191 million). ATL also obtained an injunction from a federal appeals court suspending payment until the pending appeal is resolved.

The amount of the alleged shortfall as well as the method used to calculate monetary correction are subject to judicial disputes. If other methods or assumptions are used, the amount of damages may increase. In September 2015, Anatel calculated monetary correction in a total amount of Ps.8,990,000 (approximately R$2,100 million). The Company has established a provision of Ps.2,620,000 (approximately R$612 million) in the accompanying financial statements for losses arising from these contingencies which the Company considers probable.

Reversible Assets

Claro Brasil's domestic and international long-distance fixed-line concessions provide that the concessionaire's assets, such as equipment, infrastructure and any other property or rights essential for the provision of domestic and international long-distance fixed-line services and considered as reversible, cannot be disconnected, replaced or sold without the prior regulatory approval of Anatel. Upon expiration of these concessions, those assets that are "indispensable" to provide domestic and international long distance services will revert to the Brazilian government in which case any compensation for investments made in those assets would be the depreciated cost of such assets. Brazilian law does not provide specific guidance as to which assets would be subject to reversion under Claro Brasil's concessions, and there is no precedent for establishing (i) which assets are "indispensable" in the provision of the services under the concessions at the time of their expiration or (ii) the treatment of assets that are also used for telecommunications services not regulated by the concessions. Those assets Claro Brasil uses exclusively in the provision of wireless and Pay TV services are not subject to reversion.

In the second semester of 2015, Anatel fined Claro Brasil Ps.43,000 (approximately R$10 million) and imposed the following three obligations on Claro Brasil:

- Within 180 days following Anatel's decision, to deposit Ps.3,724,000 (approximately R$870 million) in an escrow account until the final use of such fund in the concession or, the difference between the sale price and the purchase price of assets sold if there has been replacement of assets. Such amount represents, in the view of Anatel, the value of the assets that were being removed year after year from the assets list reported to Anatel without a justification for the alleged removal.
- Within 180 days following Anatel's decision, to include in all agreements entered into the effective date of the reversible assets regulation (*Regulamento de Bens Reversíveis*) mandatory provisions related to the indispensability of the applicable assets for the continuity of the provision of the service, Anatel's subrogation of the rights and obligations arising from such agreements and the obligation of the other party not encumber the assets used by Claro Brasil under these agreements.
- To appeal, in Claro Brasil's ongoing litigation proceedings, the replacement of all reversible assets encumbered by court order within 30 days in litigation.

Such decision is subject of an appeal filed before Anatel with suspensive effect.

Other regulatory disputes

Claro Brasil is party to certain judicial disputes against Anatel, all in the aggregate amount of Ps.3,339,000 (approximately R$780 million). The Company has established a provision of Ps.116,000 (approximately R$27 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

c. Other Civil and Labor Contingencies

Claro Brasil and its subsidiaries are also party to other claims in the amount of Ps.18,403,000 (approximately R$4,299 million), including claims filed by its Pay TV, internet access and telephone service customers. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps.681,000 (approximately R$159 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Claro Brasil and its subsidiaries are party to labor claims in the amount of Ps.20,051,000 (approximately R$4,684 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.1,768,000 (approximately R$413 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

d. Third-Party Disputes

Claro Brasil, Americel, Embratel, TdB, Primesys, Brasil Center and their subsidiaries are parties to certain disputes with third parties in connection with former sales agents, outsourced companies contract cancellation, increase in monthly subscription rates and channel transmission, class actions, real estate issues, disputes with former employees regarding health care payments and other matters. The cases, which are in advanced stages of the litigation process are for claims in the aggregate amount of Ps.6,306,000 (approximately R$1,473 million). The Company has established a provision of Ps.955,000 (approximately R$223 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Net Serviços and its subsidiaries are parties to a number of cases on a range of matters, including, among other claims, disputes with former sales agents, outsourced companies contract cancellation, multiple outlets, increase in monthly subscription rates and channel transmission. The cases, which are in advanced stages of the litigation process, are for claims in the amount of Ps.7,106,000 (approximately R$1,660 million). The Company has established a provision of Ps.308,000 (approximately R$72 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

III. ECUADOR

a. Conecel

Tax Assessments

In 2011 and 2012, the Ecuadorian Internal Revenue Services (*Servicios de Rentas Internas del Ecuador*, or "SRI") notified Consorcio Ecuatoriano de Telecomunicaciones S.A. ("Conecel") of tax assessments in the amount of Ps.2,024,000 (approximately US$119 million) relating to income tax for fiscal years 2007 through 2009. Conecel initiated judicial proceedings to challenge these tax assessments. However, the National Assembly (*Asamblea Nacional*) enacted a law that granted an amnesty for fiscal years 2007 and 2009, which allowed Conecel in July 2015, to dismiss the interest payments and penalties and pay only the principal of each assessment in a total amount of Ps.1,099,000 (US$64,600). In October 2015, the National Court of Justice issued a resolution accepting the cassation appeal filed by SRI of the tax assessment with respect to fiscal year 2008. This decision is unfavorable for Conecel and, consequently, Conecel will be required to pay an amount of Ps.869,000 (US$51,100) through monthly payments to within 12 months.

On December 21, 2015, Conecel filed an extraordinary protection action before the Constitutional Court, however such action does not suspend the enforcement of the National Court's decision.

Conecel has recognized in the financial statements the total amount of tax assessment corresponding to 2008 fiscal year.

Monopolistic Practices Fine

In February 2014, following a regulatory claim filed in 2012, the Superintendency of Control of Market Power (*Superintendencia de Control del Poder del Mercado*, or "SCPM") imposed a fine on Conecel of Ps.2,354,000 (US$138,400) for alleged monopolistic practices related to five locations in which the state-owned operator, *Corporación Nacional de Telecomunicaciones* ("CNT") argues that Conecel has exclusive rights to deploy its network and is thereby preventing CNT to deploy its own network on the same locations. In March 2014, Conecel challenged the fine and posted a guarantee for 50% of its value. Through a judicial order issued on the same month, the fine was suspended. However, a final resolution is still pending. Conecel denies any wrong doing and alleges that CNT had other alternative sites in the same locations where it could have deployed its network. The Company has not established a provision in the accompanying financial statements to cover losses arising from this contingency.

Conecel is also subject to one proceeding initiated by the SCPM to assess Conecel's compliance with the administrative injunction issued by the SCPM as part of its decision that admitted CNT's claim. If this investigation is resolved against Conecel, the SCPM could impose a material fine on Conecel.

Rounded Rates

In February 2015, the National Assembly enacted a new telecommunications law (*Ley Orgánica de Telecomunicaciones*), which included a provision that requires Conecel to pay directly to the Telecommunication Regulatory Agency (*Agencia de Regulación y Control de las Telecomunicaciones*, or "ARCOTEL") any amounts rounded per minute charged to the users between 1999 and 2000. Charging rates on a per minute basis (rounded rates) was used by mobile telephony operators until 2000, by applying a full minute rate to the fraction of a minute (rounded to the immediate superior minute). Until then there was no prohibition on applying this call pricing scheme.

In October 2015, ARCOTEL required Conecel to pay Ps.1,048,000 (US$61,600), which includes of Ps.459,000 (US$27,000) as principal and Ps.583,000 (US$34,300) in interests calculated at an excessive rate of 16.30% for consumer credit which is not applicable. Conecel challenge this requirement and filed a petition for relief to suspend such payment in October 2015. The suspension of payment was denied by the District Court of Administrative Proceeding (*Tribunal Distrital de lo Contencioso Admnistrativo*) in November 2015, and a final resolution with respect of the challenged against the requirement is still pending. Existing a collection process in progress, Conecel has already paid for this obligation more than Ps.663,000 (US$39,000) and has requested ARCOTEL to calculate interests at the legal rate, different of the intended ARCOTEL excessive rate.

Conecel has recognized in the financial statements the principle of Ps.459,000 (US$27,000) and with respect of the interests it has recognized Ps.318,000 (US$18,700), calculated at the rate prescribed by law.

IV. BULGARIA

a. Mobiltel

Tax Assessments

In June 2014, the Bulgarian tax authorities issued a tax assessment regarding accounting of brand name and customer base amortized by Mobiltel EAD ("Mobiltel") for the year 2007. The total amount of the tax assessment is approximately Ps.389,000 (approximately €20.4 million) including interest as of September 30, 2015.

Mobiltel initiated administrative proceedings with the highest Bulgarian tax authority and subsequent at the Administrative Court in Sofia challenging the resolution. In October 2015, the Administrative Court decided in favor of Mobiltel EAD and such decision was challenged by the tax authorities. The case will be forwarded to the Supreme Administrative Court, as final instance. Mobiltel issued bank guarantees covering up to Ps.415,000 (approximately €22.2 million).

On September 24, 2015 the tax authorities issued a second tax assessment act regarding the tax treatment of the brand name and the customer base. The assessment relates to financial year 2008 and amounts to approximately Ps.369,000 (approximately €19.4 million) including interest as of September 30, 2015. Mobiltel initiated administrative proceedings challenging this assessment and obtained the suspension of the administrative proceeding until the challenge of the 2007 assessment is resolved. Three further bank guarantees were issued to secure the tax liability related to 2008, totaling an amount of Ps.383,000 (approximately €20.5 million).

In case of an unfavorable decision by the competent courts, Mobiltel might face a further potential additional claim for the years 2009 to 2012 in the amount of up to Ps.777,400 (approximately €40.9 million) including interest as of September 30, 2015.

12. Segments

América Móvil operates in different countries. The Company has operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Costa Rica, Brazil, Argentina, Colombia, United States, Honduras, Chile, Peru, Paraguay, Uruguay, Dominican Republic, Puerto Rico, Panama, Austria, Bulgaria, Croatia, Belarus, Slovenia, Macedonia and Serbia.

The Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), analyzes the financial and operating information by geographical operating segment, except for Mexico, which shows Corporate and Telcel as one segment and Telmex as another segment. All significant operating segments that (i) represent more than 10% of consolidated revenues, (ii) more than the absolute amount of its reported 10% of profits or loss or (iii) more than 10% of consolidated assets, are presented separately.

The Company has presented the following reporting segments for the purposes of its consolidated financial statements: (i) Mexico (includes Telcel and Corporate operations and Assets), Brazil, Southern Cone (includes Argentina Chile, Paraguay and Uruguay), Colombia, Andean (includes Ecuador and Perú), Central América (includes Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama), U.S.A. (excludes Puerto Rico), Caribbean (includes Dominican Republic and Puerto Rico), and Europe (includes Austria, Bulgaria, Croatia, Belarus, Slovenia, Macedonia and Serbia).

The Company considers that the quantitative and qualitative aspects of any aggregated operating segments are similar in nature for all periods presented. In evaluating the appropriateness of aggregating operating segments, the key indicators considered included but were not limited to: (i) the similarity of key financial statement measures and trends, (ii) all entities provide telecommunications services, (iii) similarities of customer base and services, (iv) the methods to distribute services are the same, based on telephone plant in both cases, wireless and fixed lines, (v) similarities of governments and regulatory entities that oversee the activities and services that telecom companies, (vi) inflation trends and, and (vii) currency trends.

	México	**Telmex**	**Brazil**	**Southern Cone**	**Colombia**	**Andean**	**Central América**	**U.S.A.**	**Caribbean**	**Euro**
For nine-month period ended September 30, 2015:										
External revenues	**139,711,537**	**70,437,854**	**134,609,470**	**49,444,106**	**50,123,350**	**38,594,699**	**24,987,625**	**81,237,727**	**21,780,371**	**52,71**
Intersegment revenues	**8,766,206**	**5,541,758**	**2,501,038**	**266,264**	**178,364**	**158,759**	**154,775**		**21,901**	
Total revenues	**148,477,743**	**75,979,612**	**137,110,508**	**49,710,370**	**50,301,714**	**38,753,458**	**25,142,400**	**81,237,727**	**21,802,272**	**52,71**
Depreciation and amortization	**10,841,871**	**11,479,970**	**29,355,492**	**6,312,147**	**6,965,536**	**4,686,291**	**7,063,947**	**527,074**	**3,930,032**	**13,02**
Operating income (loss)	**53,077,558**	**13,286,860**	**8,601,208**	**6,357,219**	**10,827,857**	**6,571,240**	**1,311,629**	**1,325,650**	**2,833,502**	**4,96**
Interest income	**13,826,048**	**175,496**	**796,782**	**2,660,716**	**303,677**	**571,833**	**154,371**	**161,611**	**275,184**	**29**
Interest expense	**19,300,342**	**1,064,229**	**11,837,476**	**1,840,501**	**367,664**	**503,540**	**241,889**	**—**	**31,499**	**2,11**
Income tax	**3,802,446**	**2,700,936**	**(5,023,085)**	**2,873,794**	**2,888,643**	**2,734,724**	**1,675,612**	**605,468**	**1,079,140**	**(45**
Equity interest in net income (loss) of associated companies	**(1,472,439)**	**44,326**	**(5,126)**	**20,893**	**—**					
Net profit (loss) attributable to equity holders of the Parent	**17,158,750**	**5,039,478**	**(11,636,558)**	**(2,793,287)**	**2,581,103**	**3,500,402**	**(544,234)**	**1,036,412**	**1,467,466**	**4,91**
Assets by segment	**983,097,810**	**148,541,390**	**294,842,856**	**123,365,630**	**81,184,423**	**87,308,376**	**65,070,878**	**42,059,083**	**74,979,892**	**191,71**
Liabilities by segment	**764,516,900**	**111,636,528**	**205,605,133**	**98,800,912**	**32,081,099**	**31,607,958**	**32,823,469**	**37,234,678**	**31,383,921**	**124,96**

	México	Telmex	Brazil	Southern Cone	Colombia	Andean	Central América	U.S.A.	Caribbean	Euro
For nine-month period ended September 30, 2014:										
External revenues	136,097,346	74,876,829	150,889,988	41,172,766	56,340,441	35,051,801	19,509,003	66,829,649	19,064,181	19,12
Intersegment revenues	8,127,618	5,104,942	2,381,916	125,766	184,299	104,497	80,488	1	11,100	
Operating revenues	144,224,964	79,981,771	153,271,904	41,298,532	56,524,740	35,156,298	19,589,491	66,829,650	19,075,281	19,12
Depreciation and amortization	9,954,583	11,708,787	30,961,033	4,952,267	7,174,681	4,033,585	6,264,782	335,742	3,642,942	3,63
Operating income (loss)	58,471,170	16,323,255	9,404,824	4,686,679	13,889,312	9,402,453	(296,388)	2,592,418	3,405,812	3,28
Interest income	6,742,495	218,936	3,990,486	2,137,724	532,153	831,758	145,983	112,488	346,865	6
Interest expense	18,815,810	1,468,597	9,430,554	623,431	349,816	292,997	114,220		39,332	73
Income tax	20,705,530	3,759,480	275,898	2,130,590	4,325,337	3,237,306	849,081	1,035,777	532,917	44
Equity interest in net income (loss) of associated Companies	(4,331,082)	38,741	(52,875)	2,349						

Net profit (loss) attributable to Equity holders of the parent	22,350,335	7,748,545	(1,475,680)	(3,556,565)	7,650,996	5,962,779	(1,105,200)	1,811,397	2,733,180	2,03
Assets by segment	954,512,497	139,064,602	338,206,799	84,912,430	99,246,921	76,493,619	51,927,914	34,173,092	67,267,631	161,37
Liabilities by segment	618,502,441	106,504,319	195,388,355	67,162,215	33,873,054	23,754,907	23,566,309	29,520,426	25,122,070	126,06

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbean	Euro
For three-month period ended September 20, 2015										
External revenues	**47,696,840**	**23,762,730**	**42,119,303**	**17,340,429**	**15,706,086**	**13,323,927**	**8,924,989**	**28,241,541**	**7,605,290**	**18,88**
Intersegment revenues	**3,205,062**	**1,946,848**	**841,161**	**130,927**	**64,188**	**49,407**	**65,961**	**—**	**12,013**	
Operating revenues	**50,901,902**	**25,709,578**	**42,960,464**	**17,471,356**	**15,770,274**	**13,373,334**	**8,990,950**	**28,241,541**	**7,617,303**	**18,88**
Operating income (loss)	**17,847,968**	**4,305,951**	**2,673,050**	**2,421,816**	**3,217,760**	**1,550,867**	**437,445**	**(588,875)**	**815,734**	**2,41**
Depreciation and amortization	**3,649,369**	**3,861,746**	**9,336,989**	**2,226,807**	**2,253,003**	**1,660,451**	**2,570,452**	**181,695**	**1,374,929**	**4,47**
Interest income	**5,730,848**	**55,307**	**208,306**	**877,006**	**103,443**	**160,455**	**62,946**	**63,212**	**103,824**	**12**
Interest expense	**7,011,421**	**349,170**	**4,729,964**	**731,913**	**124,459**	**198,115**	**103,298**	**—**	**12,914**	**74**
Income tax	**(7,120,243)**	**692,385**	**(951,256)**	**953,627**	**172,077**	**708,958**	**491,321**	**(147,036)**	**399,556**	**(11**
Equity interest in net income (loss) of associated Companies	**(47,853)**	**21,338**	**(1,126)**	**9,833**	**—**	**—**	**—**			**(**
Net profit (loss) attributable to Equity holders of the parent	**(7,647,111)**	**1,424,228**	**(4,428,396)**	**(1,901,543)**	**(351,462)**	**884,106**	**(126,662)**	**(303,882)**	**343,772**	**2,14**
Assets by segment	**983,097,810**	**148,541,390**	**294,842,856**	**123,365,630**	**81,184,423**	**87,308,376**	**65,070,878**	**42,059,083**	**74,979,892**	**191,71**
Liabilities by segment	**764,516,900**	**111,636,528**	**205,605,133**	**98,800,912**	**32,081,099**	**31,607,958**	**32,823,469**	**37,234,678**	**31,383,921**	**124,96**
For three-month period ended September 20, 2014										
External revenues	44,599,135	25,060,453	51,380,341	14,347,051	18,980,886	11,816,698	6,631,601	22,624,917	6,317,267	19,12
Intersegment revenues	2,494,076	1,835,642	812,739	(371,464)	62,180	44,746	26,446	—	3,678	
Operating revenues	47,093,211	26,896,095	52,193,080	13,975,587	19,043,066	11,861,444	6,658,047	22,624,917	6,320,945	19,12
Operating income (loss)	19,651,174	5,782,137	2,578,362	1,447,459	4,565,321	3,195,440	(85,287)	265,513	1,185,099	3,28
Depreciation and amortization	2,969,861	3,865,581	10,743,763	1,608,399	2,452,320	1,346,650	2,159,461	112,645	1,222,766	3,63
Interest income	2,341,641	83,439	1,592,617	745,601	128,761	279,375	51,222	45,435	116,963	6
Interest expense	6,339,402	486,240	3,659,803	182,897	118,123	112,399	44,122		13,813	73
Income tax	10,224,538	1,254,324	(2,177,514)	819,395	1,461,421	972,741	296,626	143,177	664,749	44
Equity interest in net income (loss) of associated Companies	(3,471,317)	10,482	(33,207)	9,408						
Net profit (loss) attributable to Equity holders of the parent	9,059,227	2,696,922	(3,734,765)	(3,399,280)	2,596,095	2,012,372	(342,268)	182,904	533,950	2,03
Assets by segment	954,512,497	139,064,602	338,206,799	84,912,430	99,246,921	76,493,619	51,927,914	34,173,092	67,267,631	161,37
Liabilities by segment	618,502,441	106,504,319	195,388,355	67,162,215	33,873,054	23,754,907	23,566,309	29,520,426	25,122,070	126,06

13. Subsequent Events

a) On October 20, 2015, the Company concluded the spin-off of Operadora de Sites Mexicanos, S.A. de C.V. that included its telecom towers located in Mexico, as well as other related assets and liabilities after obtaining the necessary authorizations. The fair value of the assets and liabilities as of September 30, 215, related to the spin-off are as follows:

	Unaudited
Assets	
Total current assets	Ps.20,369,685
Non current assets	
Property plant and equipment, at estimated fair value (1)	37,932,510
Other assets	90,166
Total assets	Ps.58,392,361
Liabilities and Equity	
Total current liabilities	Ps. 847,128
Long-term debt	18,676,783
Related parties	21,000,000
Other liabilities	11,108,883
Total liabilities	51,632,794
Equity	
Total equity	6,759,567
Total liabilities and equity	Ps.58,392,361

(1) The historical carrying value of property, plant and equipment was Ps.4,937,952 as of the date of the spin-off.

b) In January 2016, in order to expand and strengthen its operations in Brazil, the Company acquired a controlling interest in Brasil Telecomunicações S.A. ("BRTel"), a company operating in the market for Pay TV, Internet and broadband services and serving various municipalities of Brazil under the BLUE brand. The operation already has necessary regulatory approvals and is under review by the Company to determine the fair value of the operation.

c) In February 2016, the Company reported that its Board of Directors decided to submit to the Annual Ordinary General Shareholders' Meeting to be held on or before April 30, 2016 to (i) pay a cash dividend from the profit tax account *(cuenta de utilidad fiscal)*, of Ps.0.28, payable in two installments, to each of the shares of its capital stock series "AA", "A" and "L" (which includes the preferred dividend correspondent to the series "L" shares), subject to adjustments arising from other corporate events (including repurchase or placement of its own shares), that may affect the number of shares outstanding as of the date of said dividend payment;(ii) allocate the amount of Ps.12,000,000, to repurchase shares.

d) In 2016, the Company reported that, as a result of the spectrum auction recently carried out by IFT, its subsidiary Telcel won a bid for a total of 20 MHz nationwide in the AWS-1 band and 40 MHz nationwide in the AWS-3 band, which will be added to the current spectrum holdings in said band. The concessions obtained will expire on October 1, 2030 and Telcel will pay a total of Ps.2,098,060 for the rights of use of the spectrum during the term of the concessions. The concessions will be granted upon compliance of certain requirements provided under the auction rules issued by the IFT.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 7, 2016

AMÉRICA MÓVIL, S.A.B. DE C.V.

By: /s/ Carlos José García Moreno Elizondo
Name: Carlos José García Moreno Elizondo
Title: Chief Financial Officer

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

Consolidated Financial Statements

For the years ended December 31, 2012, 2013 and 2014
with Report of Independent Registered Public Accounting Firm

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

Consolidated Financial Statements

For the years ended December 31, 2012, 2013 and 2014

Contents:

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, 2013 and 2014 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, 2014. 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). 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, 2013 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, 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), América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated April 29, 2015, expressed an unqualified opinion thereon.

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

/s/ Carlos Carrillo Contreras

C.P.C. Carlos Carrillo Contreras

Mexico City, Mexico
April 29, 2015

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

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	At December 31,					
		2013		**2014**		**Millions of U.S. dollars 2014**
Assets						
Current assets:						
Cash and cash equivalents (Note 4)	Ps.	48,163,550	**Ps.**	**66,473,703**	**US$**	**4,516**
Accounts receivable:						
Subscribers, distributors, recoverable taxes and other, net (Note 5)		127,872,657		**145,584,407**		**9,892**
Related parties (Note 6)		1,346,392		**1,320,107**		**90**
Derivative financial instruments (Note 7)		10,469,316		**22,536,056**		**1,531**
Inventories, net (Note 8)		36,718,953		**35,930,282**		**2,441**
Other current assets, net (Note 9)		12,127,200		**16,563,602**		**1,125**
Total current assets		236,698,068		**288,408,157**		**19,595**
Non-current assets:						
Property, plant and equipment, net (Note 10)		501,106,951		**595,596,318**		**40,467**
Intangibles, net (Note 11)		38,220,138		**109,829,650**		**7,462**
Goodwill (Note 11)		92,486,284		**140,903,391**		**9,574**
Investment in associated companies (Note 12)		88,887,024		**49,262,581**		**3,347**
Deferred income taxes (Note 13)		50,853,686		**66,500,539**		**4,518**
Other assets, net (Note 9)		17,340,282		**27,856,033**		**1,893**
Total assets	Ps.	1,025,592,433	**Ps.**	**1,278,356,669**	**US$**	**86,856**
Liabilities and equity						
Current liabilities:						
Short-term debt and current portion of long-term debt (Note 14a)	Ps.	25,841,478	**Ps.**	**57,805,517**	**US$**	**3,928**
Accounts payable (Note 15a)		154,137,312		**191,503,362**		**13,010**
Accrued liabilities (Nota 15b)		36,958,922		**53,968,679**		**3,667**
Taxes payable		22,082,241		**32,554,727**		**2,212**
Derivative financial instruments (Note 7)		5,366,323		**8,527,812**		**579**
Related parties (Note 6)		2,552,337		**3,087,292**		**210**
Deferred revenues (Note 16)		27,016,340		**31,464,235**		**2,138**
Total current liabilities		273,954,953		**378,911,624**		**25,744**
Long-term debt (Note 14a)		464,478,366		**545,949,470**		**37,094**
Deferred income taxes (Note 13)		1,628,409		**17,469,798**		**1,187**
Deferred revenues (Note 16)		1,105,294		**1,330,757**		**90**
Asset retirement obligations (Note 15c)		7,516,460		**13,451,407**		**913**
Employee benefits (Note 17)		66,607,874		**86,604,565**		**5,885**
Total liabilities		815,291,356		**1,043,717,621**		**70,913**
Equity (Note 18):						
Capital stock		96,392,339		**96,382,631**		**6,549**
Retained earnings:						
Prior years		122,693,933		**146,188,038**		**9,933**
Profit for the year		74,624,979		**46,146,370**		**3,135**
Total retained earnings		197,318,912		**192,334,408**		**13,068**
Other comprehensive income (loss) items		(91,310,640)		**(104,332,763)**		**(7,089)**
Equity attributable to equity holders of the parent		202,400,611		**184,384,276**		**12,528**
Non-controlling interests		7,900,466		**50,254,772**		**3,415**
Total equity		210,301,077		**234,639,048**		**15,943**
Total liabilities and equity	Ps.	1,025,592,433	**Ps.**	**1,278,356,669**	**US$**	**86,856**

The accompanying notes are an integral part of these consolidated 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							
		2012		2013		**2014**		**2014 Millions of U.S. dollars, except for earnings per share**
Operating revenues:								
Mobile voice services	Ps.	287,133,858	Ps.	265,039,903	**Ps.**	**255,606,335**	**US$**	**17,367**
Fixed voice services		123,778,159		111,785,611		**114,687,475**		**7,792**
Mobile data voice services		136,394,772		159,589,580		**194,882,905**		**13,241**
Fixed data services		83,628,831		85,039,329		**97,533,378**		**6,627**
Paid television		56,520,982		60,829,310		**68,378,623**		**4,646**
Sales of equipment, accessories and computers		69,562,903		84,544,261		**95,632,868**		**6,498**
Other related services		18,050,140		19,273,027		**21,540,236**		**1,464**
		775,069,645		786,101,021		**848,261,820**		**57,635**
Operating costs and expenses:								
Cost of sales and services		341,123,833		358,291,177		**386,102,139**		**26,233**
Commercial, administrative and general expenses		165,631,457		167,184,570		**185,683,205**		**12,616**
Other expenses		3,579,638		4,832,685		**4,928,675**		**335**
Depreciation and amortization (Notes 9, 10 and 11)		103,584,737		101,534,833		**114,993,551**		**7,813**
		613,919,665		631,843,265		**691,707,570**		**46,997**
Operating income		161,149,980		154,257,756		**156,554,250**		**10,638**
Interest income (Note 14b)		3,859,086		2,925,834		**7,052,271**		**479**
Interest expense (Note 14c)		(22,267,771)		(23,950,653)		**(31,522,523)**		**(2,142)**
Foreign currency exchange (loss) gain, net		7,395,154		(19,610,465)		**(28,615,459)**		**(1,944)**
Valuation of derivatives, interest cost from labor obligations and other financial items, net (Note 14d)		(13,265,019)		(8,291,535)		**(10,190,261)**		**(692)**
Equity interest in net income (loss) of associated companies (Note 12)		761,361		36,282		**(6,073,009)**		**(413)**
Profit before income tax		137,632,791		105,367,219		**87,205,269**		**5,926**
Income tax (Note 13)		45,983,452		30,392,731		**39,707,549**		**2,699**
Net profit for the year	Ps.	91,649,339	Ps.	74,974,488	**Ps.**	**47,497,720**	**US$**	**3,227**
Net profit for the year attributable to:								
Equity holders of the parent	Ps.	90,988,570	Ps.	74,624,979	**Ps.**	**46,146,370**	**US$**	**3,135**
Non-controlling interests		660,769		349,509		**1,351,350**		**92**
	Ps.	91,649,339	Ps.	74,974,488	**Ps.**	**47,497,720**	**US$**	**3,227**
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations	Ps.	1.19	Ps.	1.02	**Ps.**	**0.67**	**US$**	**0.05**
Other comprehensive income items:								
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent years:								
Effect of translation of foreign entities	Ps.	(33,421,104)	Ps.	(26,888,282)	**Ps.**	**(6,255,715)**	**US$**	**(425)**
Effect of fair value of derivatives, net of deferred taxes		(239,164)		(740,740)		**(313,572)**		**(21)**
Items that will not be reclassified to profit or loss in subsequent years:								
Remeasurement of defined benefit plan, net of deferred taxes		2,439,641		(2,438,039)		**(6,807,975)**		**(463)**
Total other comprehensive income items for the year, net of deferred taxes		(31,220,627)		(30,067,061)		**(13,377,262)**		**(909)**
Total comprehensive income for the year	Ps.	60,428,712	Ps.	44,907,427	**Ps.**	**34,120,458**	**US$**	**2,318**
Comprehensive income for the year attributable to:								
Equity holders of the parent	Ps.	60,212,233	Ps.	45,108,504	**Ps.**	**33,404,912**	**US$**	**2,270**
Non-controlling interests		216,479		(201,077)		**715,546**		**48**
	Ps.	60,428,712	Ps.	44,907,427	**Ps.**	**34,120,458**	**US$**	**2,318**

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

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

Consolidated Statements of Changes in Equity

For the years ended December 31, 2012, 2013 and 2014

(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Remeasurement of defined benefit plans	Cumulative Translation adjustment	To attr equ of
Balance at December 31, 2011	Ps. 96,419,636	Ps. 358,440	Ps. 162,057,644	Ps. (242,583)	Ps.(54,303,442)	Ps. 25,679,215	Ps. 2
Net profit for the year			90,988,570				
Remeasurement of defined benefit plan, net of deferred taxes					2,377,006		
Effect of fair value of derivatives, net of deferred taxes				(253,428)			
Effect of translation of foreign entities						(32,899,915)	(
Comprehensive income for the year			90,988,570	(253,428)	2,377,006	(32,899,915)	
Dividends			(15,216,636)				(
Repurchase of shares	(4,795)		(18,326,979)				(
Effect of consolidation of NET			(155,158)				
Other acquisitions of non-controlling interests			(8,749,086)		(2,151,018)		(
Balance at December 31, 2012	96,414,841	358,440	210,598,355	(496,011)	(54,077,454)	(7,220,700)	2
Net profit for the year			74,624,979				
Remeasurement of defined benefit plan, net of deferred taxes					(2,289,811)		
Effect of fair value of derivatives, net of deferred taxes				(741,321)			
Effect of translation of foreign entities						(26,485,343)	(
Comprehensive income for the year			74,624,979	(741,321)	(2,289,811)	(26,485,343)	
Dividends declared			(15,872,527)				(
Repurchase of shares	(22,502)		(70,923,493)				(
Other acquisitions of non-controlling interests			(1,466,842)				
Balance at December 31, 2013	96,392,339	358,440	196,960,472	(1,237,332)	(56,367,265)	(33,706,043)	2
Net profit for the year			**46,146,370**				
Effect of fair value of derivatives, net of deferred taxes				**(329,112)**			
Remeasurement of defined benefit plan, net of deferred taxes					**(6,625,463)**		
Effect of translation of foreign entities						**(5,786,883)**	
Comprehensive income for the year			**46,146,370**	**(329,112)**	**(6,625,463)**	**(5,786,883)**	
Dividends declared			**(16,539,294)**				**(**
Repurchase of shares	**(9,708)**		**(34,646,254)**				**(**
Acquisition of non-controlling interests arising on business combination of Telekom Austria (Note 12)				**9,751**	**45**	**(290,461)**	
Capital stock increase in Telekom Austria (Note 12)							
Other acquisitions of non-controlling interests and others			**54,674**				
Balance at December 31, 2014	**Ps. 96,382,631**	**Ps. 358,440**	**Ps. 191,975,968**	**Ps.(1,556,693)**	**Ps.(62,992,683)**	**Ps.(39,783,387)**	**Ps. 1**

The accompanying notes are an integral part of these consolidated 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			
	2012	2013	**2014**	**Millions of U.S. dollars**
Operating activities				
Profit before income tax	Ps. 137,632,791	Ps. 105,367,219	**Ps. 87,205,269**	**US$ 5,926**
Items not requiring the use of cash:				
Depreciation (Note 10)	92,268,275	94,893,801	**107,909,169**	**7,332**
Amortization of intangible and other assets (Note 9 and 11)	11,316,462	6,641,032	**7,084,382**	**481**
Equity interest in net income of associated companies (Note 12)	(761,361)	(36,282)	**6,073,009**	**413**
Loss on derecognition of equity method investment (Note 12)			**3,172,218**	**216**
Loss on sale of property, plant and equipment	112,445	546,939	**297,609**	**20**
Net period cost of labor obligations (Note 17)	10,141,672	7,292,839	**7,855,714**	**534**
Foreign currency exchange (gain) loss, net	(18,908,099)	10,120,083	**36,559,881**	**2,484**
Interest income	(3,859,086)	(2,925,834)	**(7,052,271)**	**(479)**
Interest expense	22,267,771	23,950,653	**31,522,523**	**2,142**
Employee profit sharing	4,377,755	4,648,304	**4,058,158**	**276**
Loss in partial sales of shares of associated company (Note 14d)	795,028	896,956	**5,554,612**	**377**
(Gain) loss in valuation of derivative financial instruments, capitalized interest expense and other, net	2,922,679	(5,844,528)	**(3,410,626)**	**(232)**
Working capital changes:				
Accounts receivable from subscribers, distributors and other	8,624,782	(12,386,088)	**(11,791,213)**	**(801)**
Prepaid expenses	(379,179)	(1,596,241)	**7,469,217**	**507**
Related parties	45,575	(628,029)	**470,719**	**32**
Inventories	4,104,304	(9,564,979)	**2,470,754**	**168**
Other assets	(3,096,301)	(3,081,649)	**(7,996,680)**	**(543)**
Employee benefits	(10,649,297)	(13,524,328)	**(14,916,385)**	**(1,013)**
Accounts payable and accrued liabilities	(2,764,066)	37,754,976	**14,260,208**	**965**
Employee profit sharing paid	(3,354,552)	(4,013,320)	**(4,737,467)**	**(322)**
Financial instruments and other	(924,497)	(1,194,640)	**(3,984,891)**	**(271)**
Deferred revenues	1,809,425	2,541,976	**1,356,453**	**92**
Interest received	2,229,170	2,944,399	**4,722,621**	**321**
Income taxes paid	(47,347,341)	(55,013,967)	**(33,542,469)**	**(2,279)**
Net cash flows provided by operating activities	206,604,355	187,789,292	**240,610,514**	**16,346**
Investing activities				
Purchase of property, plant and equipment (Note 10)	(121,955,947)	(118,416,286)	**(126,265,297)**	**(8,579)**
Acquisition of intangibles (Note 11)	(7,830,248)	(3,334,464)	**(19,319,656)**	**(1,313)**
Dividends received from associates (Note 12)	571,187	212,394	**359,413**	**25**
Proceeds from sale of plant, property and equipment	58,006	44,045	**96,781**	**7**
Cash acquired in business combinations (Note 12)	5,378,807			
Acquisition of businesses, net of cash acquired (Note12)	(2,289,018)	(1,730,588)	**(11,910,582)**	**(809)**
Partial sale of shares of associated company (Note 12)	—	4,299,360	**12,066,037**	**820**
Investments in associate companies (Note 12)	(71,560,918)	(15,366,062)	**(2,654,342)**	**(180)**
Net cash flows used in investing activities	(197,628,131)	(134,291,601)	**(147,627,646)**	**(10,029)**
Financing activities				
Loans obtained	140,094,584	126,301,382	**44,174,698**	**3,001**
Repayment of loans	(97,354,311)	(60,710,863)	**(36,683,909)**	**(2,492)**
Interest paid	(21,329,791)	(22,654,119)	**(33,283,418)**	**(2,261)**
Repurchase of shares	(17,836,724)	(70,745,785)	**(35,049,327)**	**(2,381)**
Dividends paid (Note 18)	(15,384,647)	(15,722,576)	**(17,054,829)**	**(1,159)**
Derivative financial instruments	5,003,187	(546,770)	**653,116**	**44**
Capital stock increase in Telekom Austria (Note 12)	—	—	**7,181,894**	**488**
Acquisition of non-controlling interests	(11,052,674)	(2,567,609)	**(4,696,245)**	**(319)**
Net cash flows used in financing activities	(17,860,376)	(46,646,340)	**(74,758,020)**	**(5,079)**
Net increase (decrease) in cash and cash equivalents	(8,884,152)	6,851,351	**18,224,848**	**1,238**
Adjustment to cash flows due to exchange rate fluctuations, net	(4,752,644)	(4,175,001)	**85,305**	**6**
Cash and cash equivalents at beginning of the year	59,123,996	45,487,200	**48,163,550**	**3,272**
Cash and cash equivalents at end of the year	Ps. 45,487,200	Ps. 48,163,550	**Ps. 66,473,703**	**US$ 4,516**
Non-cash transactions related to:				
Acquisitions of property, plant and equipment in accounts payable at end of year	Ps. 30,461,133	Ps. 15,146,947	**Ps. 16,771,745**	**US$ 1,113**

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

1. Description of the business and Relevant Events

I. Corporate Information

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

- The voice services provided by the Company, both wireless 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.
- Pay TV represents basic services, as well as pay per view and additional programming and advertising services.
- Equipment, accessories and computer sales
- Other related revenues from advertising in telephone directories, publishing and call center services.

In order to provide these services, América Móvil has 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 25 countries where it has a presence, and such licenses have different dates of expiration through 2046.

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.

The corporate offices of América Móvil are located in Mexico City, Mexico, at Lago Zurich 245, Colonia Ampliación Granada, Delegación Miguel Hidalgo, 11529, México D.F., México

The accompanying financial statements were approved for their issuance by the Company's Chief Financial Officer on April 29, 2015, and subsequent events have been considered through that date. They will then be presented for approval by the Company's shareholders on April 30, 2015. Those shareholders have the authority to approve and or otherwise modify the financial statements.

Relevant events

i) On March 21, 2013, the International Olympic Committee ("IOC"), awarded to AMX 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, except Brazil.

ii) During April 2013, KPN launched a rights offering to raise up to € 3 billion of equity. Pursuant to the Company's agreement with KPN, the Company subscribed for a share in the rights offering in proportion to the Company's previous ownership of the KPN shares. Upon settlement of the offering on May 17, 2013, the Company paid € 895.8 million (Ps.14.2 billion) and owned a total of 1,267,677,000 shares of KPN continuing to represent 29.77% of the then outstanding shares of KPN. As explained in Note 12, the Company has subsequently sold some of its ownership interest in KPN.

iii) On July 29, 2013, the Company terminated the Relationship Agreement dated February 20, 2013 entered into with KPN.

iv) On March 7, 2014, the new Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones, or the "IFT") issued a resolution determining that the Company's operating subsidiaries, including Radiomovil Dipsa, S.A. de C.V. ("Telcel") and Telefonos de Mexico, S.A.B. de C.V. ("Telmex"), as well as other related parties such as Grupo Carso, S.A.B. de C.V. and Grupo Financiero Inbursa, S.A.B. de C.V. are part of an "economic interest group" that is a "preponderant economic agent" in the Mexican telecommunications sector, and imposing certain asymmetric regulation on the Company's Mexican fixed-line and wireless businesses.

v) On April 23, 2014, Österreichische Industrieholding AG ("ÖIAG") entered into a shareholders' agreement, effective June 27, 2014, with AMX, by which the parties have contractually undertaken to jointly pursue a long-term policy with regard to the management of Telekom Austria AG (Telekom Austria), by exercising voting rights on a concerted basis ("Syndicate Agreement"). Furthermore, the Syndicate Agreement contains rules on the uniform exercise of voting rights in the corporate bodies of Telekom Austria, nomination rights for members of the Supervisory and Management Boards and share transfer restrictions. The shareholders agreement and public offer were subject to certain regulatory approvals. Once the conditions were satisfied, AMX obtained operational responsibilities in Telekom Austria and enhanced its role in their supervisory and Management Board resulting in power to direct relevant activities of Telekom Austria.

vi) On May 15, 2014, AMX published a voluntary public takeover offer for all shares of Telekom Austria ("Offer"). On July 17, 2014, at the end of the Offer period, AMX held in total 50.81% of the share capital of Telekom Austria, while ÖIAG continued to hold 28.42%. The Syndicate Agreement currently covers 351.0 million shares of Telekom Austria, which equates to a shareholding of 79.23%. See further disclosures related to the acquisition of Telekom Austria in Note 12.

vii) On July 8, 2014, the Company's Board of Directors approved the implementation of various measures to reduce its national market share in the Mexican telecommunications market to under 50% in order to cease to be a "preponderant economic agent", which are still under the analysis of the Company's management and subject to approval. In addition, it was also resolved that all cellular sites, including towers and related passive infrastructure in Mexico, are to be separated from the Company's Mexican subsidiary Telcel for their corresponding operation and commercialization to all interested parties, subject to certain corporate, regulatory and government approvals. The Company concluded that the conditions required in IFRS 5 "Non-current assets held for sale and discontinued operations" were not been met for such assets to be considered as held for distribution to owners as of December 31, 2014. See Note 23 for subsequent events.

viii) On September 30, 2014, Claro Brasil (a subsidiary of the Company) was granted the use of 20MHz of spectrum nationwide in the 700MHz frequency for a 15-year period through a public auction process. The spectrum will be used in conjunction with our 4G-LTE network. Such licenses were paid and recorded in December 2014 for an amount of Ps.9,662,052.

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

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IASB") (hereafter referred to as IFRS).

The consolidated financial statements have been prepared on the historical cost basis, except for the derivative financial instruments (assets and liabilities) and, the trust assets of post-employment and other employee benefit plans.

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 of the Company's Mexican operations and the consolidated reporting currency of the Company.

i) Basis of consolidation

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 Company, applying consistent accounting policies. All of the companies operate in the telecommunications field or provide services to companies relating to this activity.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee, if and only if, the Company has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements; and

(iii) The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intercompany balances and transactions are eliminated in the consolidated financial statements.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

(i) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;

(ii) Derecognizes the carrying amount of any non-controlling interests;

(iii) Derecognizes the cumulative translation differences recorded in equity;

(iv) Recognizes the fair value of the consideration received;

(v) Recognizes the fair value of any investment retained;

(vi) Recognizes any surplus or deficit in profit or loss; and

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

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.

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 statements of comprehensive income and in equity in the consolidated statements of financial position separately from América Móvil's own equity.

Non-controlling interests refers to certain subsidiaries in which the Company does not hold 100% of the shares.

Acquisitions of non-controlling interests are accounted for as equity transactions. The difference between the book value and the subscription price for acquired shares under common control are accounted for as an equity transaction within retained earnings.

Associates:

Associates are all those entities for which the Company has significant influence over 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. Significant influence typically exists when an investor holds from 20% to 50% of the voting power of an investee.

The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

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 (losses) and equity of the associate.

The results of operations of the subsidiaries and associates are included in the Company's consolidated financial statements beginning as of the month following their acquisition 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 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 most significant subsidiaries and associated companies at December 31, 2013 and 2014, is as follows:

		Equity interest at December 31	
Company name	**Country**	**2013**	**2014**
Subsidiaries:			
AMX Tenedora, S.A. de C.V. (a)	Mexico	100.0%	**100.0%**
Carso Telecom B.V. (formerly Amov Europa B.V.) (a)	Netherlands	100.0%	**100.0%**
AMOV Canadá, S.A. (a)	Mexico	100.0%	**100.0%**
Compañía Dominicana de Teléfonos, S.A. ("Codetel") (b)	Dominican Republic	100.0%	**100.0%**
Sercotel, S.A. de C.V. (a)	Mexico	100.0%	**100.0%**
Radiomóvil Dipsa, S.A. de C.V. y subsidiarias ("Telcel") (b)	Mexico	100.0%	**100.0%**
Telecomunicaciones de Puerto Rico, Inc. (b)	Puerto Rico	100.0%	**100.0%**
Puerto Rico Telephone Company, Inc. (b)	Puerto Rico	100.0%	**100.0%**
Servicios de Comunicaciones de Honduras, S.A. de C.V. ("Sercom Honduras") (b)	Honduras	100.0%	**100.0%**
AMX USA Holding, S.A. de C.V. (a)	Mexico	100.0%	**100.0%**
TracFone Wireless, Inc. ("TracFone") (b)	USA	98.2%	**98.2%**
AM Telecom Américas, S.A. de C.V. (a)	Mexico	100.0%	**100.0%**

Company name	Country	Equity interest at December 31 2013	2014
Subsidiaries:			
Claro Telecom Participacoes, S.A. (“Claro Brasil”)(a)	Brazil	100.0%	**100.0%**
Americel, S.A. (b)	Brazil	100.0%	**100.0%**
Claro S.A. (before BCP, S.A.) (b)	Brazil	100.0%	**96.2%**
América Central Tel, S.A. de C.V. (“ACT”) (b)	Mexico	100.0%	**100.0%**
Telecomunicaciones de Guatemala, S.A. (“Telgua”) (b)	Guatemala	99.3%	**99.3%**
Empresa Nicaragüense de Telecomunicaciones, S.A. (“Enitel”) (b)	Nicaragua	99.5%	**99.6%**
Estesa Holding Corp. (a)	Panama	100.0%	**100.0%**
Cablenet, S.A. (b)	Nicaragua	100.0%	**100.0%**
Estaciones Terrenas de Satélite, S.A. (“Estesa”) (b)	Nicaragua	100.0%	**100.0%**
AMX El Salvador, S.A de C.V. (b)	Mexico	100.0%	**100.0%**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (“CTE”) (b)	El Salvador	95.8%	**95.8%**
Cablenet, S.A. (“Cablenet”) (b)	Guatemala	95.8%	**95.8%**
Telecomoda, S.A. de C.V. (“Telecomoda”) (b)	El Salvador	95.8%	**95.8%**
Telecom Publicar Directorios, S.A. de C.V. (“Publicom”) (c)	El Salvador	48.9%	**48.8%**
CTE Telecom Personal, S.A. de C.V. (“Personal”) (b)	El Salvador	95.8%	**95.8%**
Comunicación Celular, S.A. (“Comcel”) (b)	Colombia	99.4%	**99.4%**
Telmex Colombia, S.A. (b)	Colombia	99.3%	**99.3%**
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (“Conecel”) (b)	Ecuador	100.0%	**100.0%**
AMX Argentina, S.A. (b)	Argentina	100.0%	**100.0%**
AMX Wellington Gardens, S.A. de C.V. (a)	Mexico	100.0%	**100.0%**
Widcombe, S.A. de C.V. (a)	Mexico	100.0%	**100.0%**
AMX Paraguay, S.A. (b)	Paraguay	100.0%	**100.0%**
AM Wireless Uruguay, S.A. (b)	Uruguay	100.0%	**100.0%**
Claro Chile, S.A. (b)	Chile	100.0%	**100.0%**
América Móvil Perú, S.A.C (b)	Peru	100.0%	**100.0%**
Claro Panamá, S.A. (b)	Panama	100.0%	**100.0%**
Carso Global Telecom, S.A. de C.V. (a)	Mexico	99.9%	**99.9%**
Empresas y Controles en Comunicaciones, S.A. de C.V. (a)	Mexico	99.9%	**99.9%**
Teléfonos de México, S.A.B. de C.V. (b) (2)	Mexico	97.7%	**98.7%**
Telmex Internacional, S.A. de C.V. (b)	Mexico	97.7%	**97.8%**
Empresa de Servicios y Soporte Integral GC, S.A.P.I. de C.V.	Mexico	97.7%	**98.7%**
Controladora de Servicios de Telecomunicaciones, S.A. de C.V. (b)	Mexico	97.7%	**98.4%**
Telmex Argentina, S.A. (b)	Argentina	99.6%	**99.7%**
Ertach, S.A. (b)	Argentina	99.5%	**99.8%**
Telstar, S.A. (b)	Uruguay	99.9%	**99.9%**
Ecuador Telecom, S.A. (b)	Ecuador	97.7%	**98.4%**
Empresa Brasileira de Telecomunicacoes, S.A. (“Embratel”) (b) (1)	Brazil	95.7%	**—**
Páginas Telmex Colombia, S.A. (c)	Colombia	97.7%	**—**
Claro 155, S.A. (c)	Chile	97.7%	**—**
Claro 110, S.A. (c)	Chile	99.9%	**99.9%**
Sección Amarilla USA, LLC. (c)	USA	97.7%	**98.4%**
Publicidad y Contenido Editorial, S.A. de C.V. (c)	Mexico	97.7%	**98.4%**
Editorial Contenido, S.A. de C.V. (c)	Mexico	97.7%	**98.4%**
Plaza VIP COM, S.A.P.I. de C.V. (c)	Mexico	97.7%	**98.4%**
Grupo Telvista, S.A. de C.V. (c)	Mexico	88.9%	**89.4%**
Net Servicios de Comunicacaos, S.A. (“NET”) (b) (1)	Brazil	92.2%	**—**
Telekom Austria AG (b)	Austria	—	**59.7%**
Associates:			
Hitss Solutions (c)	Mexico	35.0%	**35.6%**
KoninKlijke KPN B.V. (“KPN”) (b)	Netherlands	27.4%	**21.4%**
Telekom Austria AG (b) (2)	Austria	23.7%	**—**

a) Holding companies
b) Operating companies of mobile and fixed services
c) Advertising, media, content companies and/or other businesses
1) On December 31, 2014 these entities were merged in Claro Brasil.
2) See Note 12 for further details on its consolidation.

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

The operating revenues of foreign subsidiaries (those outside of Mexico) jointly represent approximately 63%, 65% and 66% of operating revenues of 2012, 2013 and 2014, respectively, and their total assets jointly represent approximately 70% and 78% of total assets at December 31, 2013 and 2014, respectively.

The financial statements have been converted to IFRS in the respective local currency and translated into the reporting currency.

None of the Company's subsidiaries, with the except of Belarus (See Note 2o), 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, are 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".
- the consolidated statements of cash flows were translated using the weighted-average exchange rate for the applicable period, and the resulting difference is shown in the consolidated statement of cash flows under the heading "Adjustment to cash flows due to exchange rate fluctuations".

The difference resulting from the translation process is recognized in equity in the caption "Effect of translation". At December 31, 2013 and 2014, the cumulative translation loss was Ps.(33,706,043) and Ps.(39,783,387), respectively.

b) Revenue recognition

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

For postpaid plans, the amount billed to clients combines a fixed tariff for a specific quantity of services, plus the rates for the use above the specified quantities (minutes included in each plan). Costs related to these services are recognized when the service is rendered.

The Company divides its main services into seven types as presented in the consolidated statements comprehensive income, as follows:

- Mobile voice
- Mobile data
- Fixed voice
- Fixed data
- Pay TV
- Sales of equipment, accessories and computers
- Other related services

To recognize the multi-elements or multiple services at its fair value, the Company has established the necessary indicators and metrics that allows it to assign to each type of element its fair value. In multi-elements plans, these indicators are based on the price offered in each package, considering the offered minutes and data plans offered to the subscribers.

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 in the future are initially recorded 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. See Note 1 on relevant events on new regulation.

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.
- Revenues from 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.

Sales of equipment, accessories and computers

- Sales of mobile phone equipment, accessories and computers, which are made to authorized distributors and the general public, are recognized as revenue at the time the products are delivered and accepted by the customer and the recovery of the amounts is probable. The distributors and general public do not have the right to return the products.

  The majority of equipment sales are performed though distributors, though not exclusively, as a portion of these equipment sales is performed through client service centers.

Other related services

Transmission rights

- Transmission rights include exclusive rights for the transmission of the Winter Olympic Games and the Rio de Janeiro Olympics for 2016. The related costs and expenses (amortization of its investment) are recognized when the associated revenue is recognized.

Marketing revenues

- Advertising revenues earned through the publication of the telephone directory are recognized over the life of the directories.

Points programs

Points programs offer by some subsidiaries are initially recognized as deferred revenue. Upon redemption of points, the deferred revenue is cancelled and the revenue is recognized along with the cost of equipment.

c) 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 in cost of sales and services. The cost is deferred as part of other assets. See Note 9.

d) 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.

Last mile installation costs and decoder-related charges are capitalized at the time of installation and depreciated over the average useful life as the customer remains active in the Company.

– Commissions to distributors

Distribution agreements have three types of commissions related to postpaid plans.

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.

In all three cases the fees are recognized within commercial, administrative and general expenses, as these fees are not reflected in the price of services and products.

e) 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.

The Company also maintains restricted cash held as collateral to meet certain contractual obligations (see Note 9). Restricted cash is presented within other non-current financial assets given that the restrictions are long-term in nature.

f) 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 among other reasons.

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.

g) Inventories

Inventories, which are mainly composed of cellular equipment, accessories, tablets and other devices, 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.

The difference between the sales price to the end user and the subsidized cost of equipment is recognized as an expense in the "cost of sales and service" in the consolidated statements of comprehensive income, at the time of delivery, consequently, the cost of equipment includes the corresponding adjustments of its net realizable value.

h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, which in accordance with IFRS 3, "*Business combination*", consists in general terms as follows:

(i) Identify the acquirer

(ii) Determine the acquisition date

(iii) Value the acquired identifiable assets and assumed liabilities

(iv) Recognize the goodwill or a bargain purchase gain

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.

Acquisition-related cost is accounted for as an expense in the "other expenses" caption in the consolidated statements of comprehensive income as they are incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstance and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss in the "Other expenses" caption in the consolidated statements of comprehensive income.

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.

If the consideration paid is less than the fair value of the net assets of the acquired company, (in the case of a bargain purchase), the difference is recognized in the consolidated statements of comprehensive income.

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, 2012, 2013 and 2014, no impairment losses were recognized for the goodwill shown in the Company's consolidated statements of financial position.

i) Property, plant and equipment

i) 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.

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 2012, 2013 and 2014, the borrowing costs that were capitalized amounted to Ps.3,152,811, Ps.3,002,576 and Ps. 3,258,928, respectively.

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, when required, 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. See Note 15c).

ii) The net book value of property, plant and equipment is removed from the consolidated statements of financial position 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.

iii) 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*".

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.

Annual depreciation rates are as follows:

Telephone plant in operation and equipment:	
Monitoring equipment and network performance	20%-33%
Base stations	20%
Switching and telephone exchanges	20%
Towers, antennas and engineering works	10%
Measuring equipment	17%
Buildings	3.33%
Submarine cable	5%
Other assets	10%-33%

iv) 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.

During the years ended December 31, 2012, 2013 and 2014, no impairment losses were recognized.

v) Inventories for operation of the plant

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

The valuation of inventories for the operation of telephone plants 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.

j) Intangibles

i) Licenses

Licenses to operate wireless telecommunications networks are recorded for at acquisition cost or at fair value at its acquisition date, net of accumulated amortization.

The licenses that in accordance with government requirements are categorized as automatically renewable, for a nominal cost and with substantially consistent terms, are considered by the Company as intangible assets with an indefinite useful life. Accordingly, they are not amortized. Licenses are amortized when the Company does not have a basis to conclude that they are indefinite lived. Licenses are amortized using the straight-line method over a period ranging from 5 to 20 years, which represents the usage period of the assets. The payments to the governments are recognized in the cost of service and equipment.

ii) Trademarks

Trademarks are recorded at their fair value at the valuation date when acquired. The useful lives of trademarks are assessed as either finite or indefinite. Trademarks with finite useful lives are amortized using the straight-line method over a period ranging from 1 to 10 years . Trademarks with indefinite useful lives are not amortized, but are tested for impairment annually at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not, the change in useful life from indefinite to finite is made on a prospective basis.

iii) Rights of use

Rights of use are recognized according to the amount paid for the right to carry traffic and are amortized over the period in which they are granted.

The carrying value of the Company's licenses and trademarks with indefinite useful lives and with finite useful lives are reviewed annually and whenever there are indicators of impairment in the value of such assets. When an asset's recoverable amount, which is the higher of the asset's fair value, less disposal costs and its value in use (the present value of future cash flows), is less than the asset's carrying value, the difference is recognized as an impairment loss.

iv) Customer relationships

The value of customer relations are determined and valued at the time that a new subsidiary is acquired, as determined by the Company with the assistance of independent appraisers, and is amortized over the useful life of the customer relationship on a five years.

During the years ended December 31, 2012, 2013 and 2014, no impairment losses were recognized for licenses, trademarks, rights of use or customer relationships.

k) 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 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 (goodwill and intangible assets with indefinite useful lives), the Company estimates the recoverable amount of the asset, which is the higher of its fair value, less disposal costs, and its value in use. Value in use is determined by discounting estimated future cash flows, applying a pre-tax discount rate that reflects the time value of money and taking into consideration the specific risks associated with the asset. When the recoverable amount of an asset is below its carrying value, impairment is considered to exist. In this case, the carrying value of the asset is reduced to the asset's recoverable amount, 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 carrying 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 maintained at a constant for all the following years with no growth rate.

Key assumptions used in value in use calculations

The forecasts were performed by the Company's management in real terms (without inflation) and in pesos with acquisition value as of December 31, 2014.

In developing information for 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 into consideration to prepare similar forecasted financial information.

The assumptions used to develop the financial forecasts were validated by the Company's management for each of the cash generating unit ("CGUs"), taking into consideration the following:

- Current subscribers and expected growth.
- Type of subscribers (prepaid, postpaid, fixed line, multiple services)
- 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 market participant synergies

The foregoing forecasts could differ from the results obtained through time; however, América Móvil prepares its estimates based on the current situation of each of the CGUs.

The recoverable amounts are based on value in use. The value in use was determined based on the method of discounted cash flows. The key assumptions used in projecting cash flows are:

- Adjusted EBITDA (which the Company defines as operating income excluding currency fluctuations plus depreciation and amortization) / margin on revenue
- Capital expenditure ("CAPEX") / margin on revenue
- Pre-tax weighted average cost of capital ("WACC") used to discount the projected cash flows.

To determine the discount rate, América Móvil uses the 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 of assets",* 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 América Móvil.

The discount rates represents the current market assessment of the risks specific to each 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 CGU and market participant and is derived from its WACC. The WACC takes into account both debt and equity considering market participant assumptions. Segment-specific risk is incorporated by applying 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 forecasted period.

The most significant assumptions used for the 2013 and 2014 impairment evaluations are shown below:

	Adjusted EBIDTA/ margin on revenues	**CAPEX/margin on revenues**	**Pre-tax discount rate (WACC)**
2013:			
Brazil (Fixed-line wireless and TV)	18.11% - 31.37%	15.48% - 27.07%	6.47%
Puerto Rico	22.69%	5.05%	8.09%
Dominican Republic	39.78%	12.47%	9.41%
Mexico	33.48% - 49.74%	5.38% - 18.5%	5.35%
Ecuador	49.80%	9.49%	11.78%
Peru	40.36%	10.23%	6.54%
El Salvador	40.62%	14.90%	8.05%
Chile	12.75%	17.52%	6.00%
Colombia	29.00% - 47.81%	11.63% - 16.27%	6.20%
Other countries	9.40% - 44.37%	0.48% - 28.68%	8.05% - 13.61%
2014:			
Europe (7 countries)	**27.09%**	**35.08%**	**6.92%**
Brazil (Fixed-line wireless and TV)	**15.41% - 30.53%**	**31.56% - 41.40%**	**10.29%**
Puerto Rico	**36.43%**	**9.24%**	**12.14%**
Dominican Republic	**39.55%**	**16.72%**	**11.39%**
Mexico	**34.51% - 49.12%**	**4.87 - 12.07%**	**9.19%**
Ecuador	**45.21%**	**9.26%**	**15.11%**
Peru	**35.15%**	**14.14%**	**10.65%**
El Salvador	**41.88%**	**16.89%**	**12.13%**
Chile	**6.63%**	**34.09%**	**9.59%**
Colombia	**29.50% - 41.35%**	**13.25% - 39.5%**	**10.55%**
Other countries	5.29% - 44.32%	0.73% - 30.43%	11.88% - 16.67%

In the case of México, Colombia, Brazil and Europe includes Fixed and Wireless operations.

l) 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.

m) Financial assets and liabilities

Financial assets

Financial assets are categorized, at initial recognition, as (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity investments, (iv) available-for-sale financial assets, or as (v) derivatives designated as hedging instruments in an effective hedge, as appropriate.

– Initial recognition and measurement

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

– Subsequent measurement

The subsequent measurement of assets depends on their categorization as either financial assets and liabilities measured at fair value through profit and loss, loans and receivables, held to maturity or available for sale financial assets, or derivatives designated as hedging instruments in an effective hedge.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss as held for trading if they are acquired for the purpose of selling or repurchasing in the short term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined in IAS 39. Financial assets at fair value through profit or loss are recorded in the consolidated statements of financial position at fair value with net changes in fair value in the consolidated statements of comprehensive income in the "valuation of derivatives, interest cost from labor obligations and other financial items".

Held-to-maturity investments

Held-to-maturity investments are those that the Company has the intent and ability to hold to maturity and are recorded at cost which includes transaction costs and premiums or discounts related to investment that are amortized over the life of the investment based on its outstanding balance, less any impairment. Interest and dividends on investments classified as held-to-maturity are included within interest income.

Available-for-sale financial assets

Available-for-sale financial assets are recorded at fair value, with gains and losses, net of tax, reported in other comprehensive income. Interest and dividends on investments classified as available-for-sale are included in interest income. The fair value of investments is readily available based on market value. The currency effects of securities available for sale are recognized in the consolidated statement of comprehensive income in the period in which they occur.

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Loans and receivables with a relevant period (including accounts receivable to subscribers, distributors and other receivables) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for accounts receivable from subscribers, distributors and other in the short term when the recognition of interest would be immaterial.

This category generally applies to accounts receivable from subscribers, distributors and other receivables. For more information on receivables, refer to Note 5.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the group's consolidated statement of financial position) when: The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Financial liabilities

Financial liabilities are classified into the following categories based on the nature of the financial instruments contracted or issued: (i) financial liabilities measured at fair value, and (ii) financial liabilities measured at 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; short- and long-term debt and accounts payable, are accounted for as financial liabilities and measured at amortized cost.

– Initial recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

– Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

– 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 incurred for the purpose of repurchasing 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, "*Financial Instruments: Recognition and Measurement*". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognized in the consolidated statements of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. América Móvil has not designated any financial liabilities as fair value liabilities through profit or loss.

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 consolidated statements of comprehensive income 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 interest income in the consolidated statements of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. For more information refer to Note 14.

– Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

– Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position if, and only if, there is:

(i) a currently a legally enforceable right to offset the recognized amounts, and

(ii) 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 7 and 19 provides an analysis of the fair values of the Company's financial instruments.

n) 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.

The exchange rates used for the translation of foreign currencies against the Mexican peso are as follows:

		Average exchange rate			Closing exchange rate at December 31,	
Country or Zone	**Currency**	**2014**	**2013**	**2012**	**2014**	**2013**
Argentina [1]	Argentine Peso	**1.6405**	2.3410	2.9305	**1.7212**	2.0053
Brazil	Real	**5.6574**	5.9334	6.7605	**5.5410**	5.5820
Colombia	Colombian Peso	**0.0067**	0.0068	0.0073	**0.0062**	0.0068
Guatemala	Quetzal	**1.7195**	1.6244	1.6808	**1.9374**	1.6676
U.S.A. [2]	US Dollar	**13.2969**	12.7660	13.1663	**14.7180**	13.0765
Uruguay	Uruguay Peso	**0.5726**	0.6249	0.6568	**0.6040**	0.6104
Nicaragua	Cordobas	**0.5122**	0.5164	0.5594	**0.5533**	0.5162
Honduras	Lempiras	**0.6291**	0.6228	0.6758	**0.6794**	0.6304
Chile	Chilean Peso	**0.0233**	0.0258	0.0274	**0.0243**	0.0249
Paraguay	Guaraní	**0.0030**	0.0030	0.0030	**0.0032**	0.0029
Peru	Soles	**4.6830**	4.7271	5.0952	**4.9241**	4.6769
Dominican Republic	Dominican Peso	**0.3050**	0.3052	0.3373	**0.3313**	0.3050
Costa Rica	Colon	**0.0244**	0.0253	0.0259	**0.0270**	0.0258
European Union	Euro	**17.6507**	16.9693	16.9276	**17.8058**	17.9710
Bulgaria	Lev	**8.8045**			**8.9984**	
Belarus [3]	Belarusian Roble	**0.0012**			**0.0012**	
Croacia	Croatian Kuna	**2.2508**			**2.3051**	
Macedonia	Macedonian Denar	**0.2805**			**0.2860**	
Serbia	Serbian Denar	**0.1449**			**0.1500**	

(1) Official exchange rate published by the Argentine Central Bank. The Argentine peso has experienced significant devaluation over the past several years and the government has adopted various rules and regulations since late 2011 that established new restrictive controls on capital flows into the country. These enhanced exchange controls have practically closed the foreign exchange market to retail transactions. It is widely reported that the Argentine peso/U.S. dollar exchange rate in the unofficial market substantially differs from the official foreign exchange rate. The Argentine government could impose further exchange controls or restrictions on the movement of capital and take other measures in the future in response to capital flight or a significant depreciation of the Argentine peso.

(2) Includes U.S.A., Ecuador, El Salvador, Puerto Rico and Panama.
(3) Year-end rates are used for the translation of revenues and expenses as IAS 29 "*Financial Reporting in Hyperinflationary Economies*" is applied.

o) Financial reporting in hyperinflationary economies

Financial statements of subsidiaries located in hyperinflationary economies are restated before translation to the reporting currency of the América Móvil and before consolidation in order to reflect the same value of money for all items. Items recognized in the consolidated statements of financial position which are not measured at the applicable year-end measuring unit are restated based on general price index. All non-monetary items measured at cost or amortized costs are restated for the changes in the general price index from the date of transaction to the reporting date. Monetary items are not restated. All items of stockholders' equity are restated for the changes in the general price index since their addition until the end of the reporting period. All items of the comprehensive income are restated for the change in a general price index from the date of initial recognition to the reporting date. Gains and losses resulting from the net position of monetary items are reported in the consolidated statements of comprehensive income in the "foreign currency exchange (loss) gains, net" caption. The financial statements of the subsidiaries in Belarus are reported at the applicable measuring unit at the reporting date. The Company's Belarus subsidiary accounted for 0.9% of America Movil's consolidated assets at December 31, 2014, and 0.8% of revenues for the year ended December 31, 2014.

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, Claro Brasil and Telekom Austria. Claro Brasil also has medical plans and defined contribution plans and Telekom Austria provides retirement benefits to its employees under a defined contribution plan. The Company recognizes the costs of these plans based upon independent actuarial computations, and are determined using the projected unit credit method. The latest actuarial computations were prepared as of December 31, 2014.

Mexico

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

The costs of pensions, seniority premiums and severance benefits, are recognized based on calculations by independent actuaries using the projected unit credit method using financial hypotheses, net of inflation.

Puerto Rico

In Puerto Rico, the Company has noncontributing pension plans for full-time employees, which are tax qualified as they meet Employee Retirement Income Security Act of 1974 requirements.

The pension benefit is composed of two elements:

(i) An employee receives an annuity an retirement if they meet the rule of 85 (age at retirement plus accumulated years of service). The annuity is calculated by applying a percentage times years of services to the last three years of salary.

(ii) The second element is a lump-sum benefit based on years of service equivalent to approximately nine to twelve months of salary. Health care and life insurance benefits are also provided to retirees under a separate plan (post-retirement benefits).

Brazil

In Brazil, the Company provides a defined benefit plan and post-retirement medical assistance plan, and a defined contribution plan, through a pension fund that supplements the government retirement benefit, for certain employees.

Under the defined benefit plan, the Company makes monthly contributions to the pension fund equal to 17.5% of the employee’s aggregate salary. In addition, the Company contributes a percentage of the aggregate salary base for funding the post-retirement medical assistance plan for the employees who remain in the defined benefit plan. Each employee makes contributions to the pension fund based on age and salary. All newly hired employees automatically adhere to the defined contribution plan and no further admittance to the defined benefit plan is allowed. For the defined contribution plan, see Note 17.

Austria

In Austria the Company provides retirement benefits to its employees under defined contribution and defined benefit plans.

The Company pays contributions to publicly or privately administered pension or severance insurance plans on mandatory or contractual basis. Once the contributions have been paid, the Company has no further payment obligations. The regular contributions are recognized as employee expenses in the year in which they are due.

All other employee benefit obligations provided in Austria are unfunded defined benefit plans for which the Company records provisions which are calculated using the projected unit credit method. The future benefit obligations are measured using actuarial methods on the basis of an appropriate assessment of the discount rate, rate of employee turnover, rate of compensation increase and rate of increase in pensions.

Ecuador

The subsidiary Consorcio Ecuatoriano de Telecomunicaciones, S.A. has a pension plan, where the Company purchases an annuity for the employee and is paid by the employee by means of individual funding. The Company purchases a deferred annuity from an insurance company for which the Company pays an annual premium. This plan is classified as a defined benefit plan.

Other subsidiaries

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 country and are recorded as direct labor expenses in the consolidated statements of comprehensive income as they are incurred.

Re-measurements of defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognizes restructuring-related costs

Net interest on liability for defined benefits is calculated by applying the discount rate to the net defined benefit liability or asset and it is recognized in the "valuation of derivatives, interest cost from labor obligations and other financial items" in the consolidated statements of comprehensive income. The Company recognizes the changes in the net defined benefit obligation under "cost of sales and services" and "Commercial, administrative and general expenses" in the consolidated statements of comprehensive income.

Paid absences

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

r) Employee profit sharing

Employee profit sharing is paid by certain subsidiaries of the Company to its eligible employees. In Mexico, until December 31, 2013, employee profit sharing was computed at the rate of 10% of the individual company taxable income, except for depreciation of historical rather than restated values, foreign exchange gains and losses, which are not included until the asset is disposed of or the liability is due and other effects of inflation are also excluded. Effective January 1, 2014, employee profit sharing in Mexico is calculated using the same taxable income for income tax, except for the following:

i) Neither tax losses from prior years nor the employee profit sharing paid during year are deductible.

ii) Payments exempt from taxes for the employees are fully deductible in the employee profit sharing computation.

Employee profit sharing is presented as an operating expense in the consolidated statements of comprehensive income.

s) Taxes

– 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 in other comprehensive income.

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, 2013 and 2014, the Company has not provided for any deferred taxes related to unremitted foreign earnings.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

– 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 the current receivables or payables in the consolidated statements of financial position unless they are due in more than a year in which case they are classified as non-current.

t) Advertising

Advertising expenses are expensed as incurred. For the years ended December 31, 2012, 2013 and 2014, advertising expenses were Ps.22,652,826, Ps.19,699,228 and Ps.21,772,454, respectively, and are recorded in the consolidated statements of comprehensive income in the caption “Commercial, administrative and general expenses”.

u) Earnings per share

Basic and diluted earnings per share are determined by dividing net profit 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.

v) Financial risks

The main risks associated with the Company's financial instruments are: (i) liquidity risk, (ii) market risk (foreign currency exchange risk and interest rate risk) and (iii) credit risk and counterparty risk. The Board of Directors approves the policies submitted by management to mitigate these risks.

(i) Liquidity risk

Liquidity risk is the risk that the Company may not meet its financial obligations associated with financial instruments when they are due. The Company's financial obligations and commitments are included in Notes 14 and 20.

(ii) Market risk

The Company is exposed to market risks from changes in interest rates and fluctuations in exchange rates of foreign currencies. The Company's debt is denominated in foreign currencies, mainly in US dollars, other than its functional currency. In order to reduce the risks related to fluctuations in the exchange rate of foreign currency, the Company uses derivative financial instruments such as cross-currency swaps and forwards to adjust exposures resulting from foreign exchange currency. The Company does not use derivatives to hedge the exchange risk arising from having operations in different countries.

Additionally, the Company occasionally uses interest rate swaps to adjust its exposure to the variability of the interest rates or to reduce their financing costs. The Company's practices vary from time to time depending on their judgments about the level of risk, expectations of change in the movements of interest rates and the costs of using derivatives. The Company may terminate or modify a derivative financial instrument at any time. See Note 7 for disclosure of the fair value of derivatives as of December 31, 2013 and 2014.

(iii) Credit risk

Credit risk represents the loss that could be recognized in case the counterparties fail to fully comply with the contractual obligations.

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 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. The Company monitors on a monthly basis its collection cycle to avoid deterioration of its results of operations.

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

(iv) Sensitivity analysis for market risks

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:

– Exchange rate fluctuations

Should the Company's debt at December 31, 2014 of Ps. 603,754,987, suffer a 5% increase/(decrease) in exchange rates, the debt would increase/(decrease) by Ps.34,207,027 and Ps.(26,351,247), respectively.

– Interest rates

In the event that the Company's agreed-upon interest rates at December 31, 2014 increased/(decreased) by 100 basis points, the increase in net interest expense would increase/decrease by Ps.7,553,639 and Ps.(6,964,699), respectively.

(v) Concentration of risk

The Company depends on several key suppliers and sellers. During the years ended December 31, 2012, 2013 and 2014, approximately 55%, 64% and 55%, respectively, of the total cost of the cellular equipment of América Móvil represented purchases made from three suppliers, and approximately 20%, 21% and 19%, 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.

(vi) Capital management

The Company manages its capital to ensure that its subsidiaries to continue as going concerns while maximizing the return to stakeholders through the optimization of their balances and debt capital to maintain the lowest cost of capital available. The Company manages its capital structure and makes adjustments according to economic conditions. To maintain the capital structure, the Company may adjust the dividend payment to shareholders or its share buyback program, for which the company holds a reserve. In addition, the Company creates a legal reserve, as required by law. See Note 18.

w) 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, Euros and Sterling pounds. For the years ended December 31, 2012, 2013 and 2014, 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 consolidated 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.

Derivative financial instruments are recognized in the consolidated 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 the cash flow 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.

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 consolidated statements of comprehensive income as the gain or loss of the hedged item (interests and foreign exchange rate).

x) Current versus non-current classification

The Company presents assets and liabilities in its consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

(i) Expected to be realized or intended to be sold or consumed in the normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realized within twelve months after the reporting period; or

(iv) Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(v) It is expected to be settled in the normal operating cycle;

(vi) It is held primarily for the purpose of trading;

(vii) It is due to be settled within twelve months after the reporting period; or

(viii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

y) Presentation of consolidated statement of comprehensive income

The costs and expenses shown in the consolidated statements 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 consolidated statements of comprehensive income since it is a key indicator of the Company's performance. Operating income represents operating revenues less operating costs and expenses.

The employee benefits expense recognized in 2012, 2013 and 2014 were Ps.36,712,871, Ps.33,768,356 and Ps.36,939,601, recognized as "Cost of sales and services", respectively, and Ps.48,931,454, Ps.46,164,732 and Ps.53,938,718, recognized as "Commercial, administrative and general expenses", respectively.

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 evaluating the performance of each segment.

Intersegment revenues and costs, intercompany balances as well as investments in shares in consolidated entities are eliminated upon consolidation and reflected in the “eliminations” column.

None of the segments records revenue from transactions with a single external customer amounting to at least 10% or more of the revenues.

z.1) Convenience Translation

At December 31, 2014, 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, 2014 at an exchange rate of Ps.14.7180 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, 2014 or any other exchange rate.

z.2) Significant Accounting Judgments, Estimates and Assumptions

In preparing its consolidated financial statements, América Móvil makes estimates concerning a variety of matters. Some of these matters are highly uncertain, and its estimates involve judgments it makes based on the information available to it. In the discussion below, América Móvil has identified several of these matters for which its financial statements would be materially affected if either (1) América Móvil used different estimates that it could reasonably have used or (2) in the future América Móvil changes its estimates in response to changes that are reasonably likely to occur.

The following discussion addresses only those estimates that América Móvil considers most important based on the degree of uncertainty and the likelihood of a material impact if it used a different estimate. There are many other areas in which América Móvil uses estimates about uncertain matters, but the reasonably likely effect of changed or different estimates is not material to the financial presentation for those other areas.

Fair Value of Financial Assets and Liabilities

América Móvil has substantial financial assets and liabilities that it recognizes at their fair value, which is an estimate of the amount at which the instrument could be exchanged in a current transaction between willing parties. The methodologies and assumptions América Móvil uses to estimate an instrument’s fair value depend on the type of instrument and include (i) recognizing cash and cash equivalents and trade receivables and trade payables and other current liabilities at close to their carrying amount, (ii) recognizing quoted instruments at their price quotations on the reporting date, (iii) recognizing unquoted instruments, such as loans from banks and obligations under financial leases, by discounting future cash flows using rates for similar instruments and (iv) applying various valuation techniques, such as present value calculations, to derivative instruments. Using different methodologies or assumptions to estimate the fair value of AMX’s financial assets and liabilities could materially impact the reported financial results. See Note 19.

Estimated useful lives of plant, property and equipment

América Móvil estimates the useful lives of particular classes of plant, property and equipment in order to determine the amount of depreciation expense to be recorded in each period. América Móvil currently depreciates most of its telephone plant and equipment based on an estimated useful life determined upon the expected particular conditions of operations and maintenance in each of the countries in which it operates. The estimates are based on AMX's historical experience with similar assets, anticipated technological changes and other factors, taking into account the practices of other telecommunications companies. América Móvil reviews estimated useful lives each year to determine whether they should be changed, and at times, it changes them for particular classes of assets. América Móvil may shorten the estimated useful life of an asset class in response to technological changes, changes in the market or other developments. This results in increased depreciation expense. See Notes 2i) and Note 10.

Impairment of Long-Lived Assets

América Móvil has large amounts of long-lived assets, including property, plant and equipment, intangible assets, investments in affiliates and goodwill, on its consolidated statement of financial position. América Móvil is required to test long-lived assets for impairment when circumstances indicate a potential impairment or, in some cases, at least on an annual basis. The impairment analysis for long-lived assets requires the Company to estimate the recovery value of the asset, which is the higher of its fair value (minus any disposal costs) and its value in use. To estimate the fair value of a long-lived asset, América Móvil typically takes into account recent market transactions or, if no such transactions can be identified, América Móvil uses a valuation model that requires the making of certain assumptions and estimates. Similarly, to estimate the value in use of long-lived assets, América Móvil typically makes various assumptions about the future prospects for the business to which the asset relates, consider market factors specific to that business and estimate future cash flows to be generated by that business. Based on this impairment analysis, including all assumptions and estimates related thereto, as well as guidance provided by IFRS relating to the impairment of long-lived assets, América Móvil determines whether it needs to take an impairment charge to reduce the net carrying value of the asset as stated on its consolidated statement of financial positiont. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors, such as industry and economic trends, and internal factors, such as changes in the Company's business strategy and its internal forecasts. Different assumptions and estimates could materially impact the Company's reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in impairment charges, which would decrease net income and result in lower asset values on the consolidated statement of financial position. Conversely, less conservative assumptions could result in smaller or no impairment charges, higher net income and higher asset values. The key assumptions used to determine the recoverable amount for the Company's CGUs, are further explained in Notes 2m) and Note 10 and Note 11.

Deferred Income Taxes

América Móvil is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves the jurisdiction-by-jurisdiction estimation of actual current tax exposure and the assessment of temporary differences resulting from the differing treatment of certain items, such as accruals and amortization, for tax and financial reporting purposes, as well as net operating loss carry-forwards and other tax credits. These items result in deferred tax assets and liabilities, which are included in the América Móvil's consolidated statement of financial position. América Móvil assesses in the course of its tax planning procedures the fiscal year of the reversal of its deferred tax assets and liabilities, and if there will be future taxable profits in those periods to support the recognition of the deferred tax assets. Significant management judgment is required in determining the Company's provisions for income taxes, deferred tax assets and liabilities. The analysis is based on estimates of taxable income in the jurisdictions in which América Móvil operates and the period over which the deferred tax assets and liabilities will be recoverable or settled. If actual results differ from these estimates, or América Móvil adjusts these estimates in future periods, its financial position and results of operations may be materially affected.

América Móvil records deferred tax assets based on the amount that it believes is probable to be realized. In assessing the future realization of deferred tax assets, the Company considers future taxable income and ongoing tax planning strategies. In the event that the estimates of projected future taxable income and benefits from tax planning strategies are lowered, or changes in current tax regulations are enacted that would impose restrictions on the timing or extent of the ability to utilize the tax benefits of net operating loss carry-forwards in the future, an adjustment to the recorded amount of deferred tax assets would be made, with a related charge to income. See Note 13.

Accruals

Accruals are recorded when, at the end of the period, the Company has a present obligation as a result of past events, whose settlement requires an outflow of resources that is considered probable and can be measured reliably. This obligation may be legal or constructive, arising from, but not limited to, regulation, contracts, common practice or public commitments, which have created a valid expectation for third parties that the Company will assume certain responsibilities. The amount recorded is the best estimation performed by the Company's management in respect of the expenditure that will be required to settle the obligations, considering all the information available at the date of the financial statements, including the opinion of external experts, such as legal advisors or consultants. Accruals are adjusted to account for changes in circumstances for ongoing matters and the establishment of additional accruals for new matters.

If América Móvil is unable to reliably measure the obligation, no accrual is recorded and information is then presented in the notes to its consolidated financial statements. Because of the inherent uncertainties in this estimation, actual expenditures may be different from the originally estimated amount recognized. See Note 15.

América Móvil is subject to various claims and contingencies related to tax, labor and legal proceedings as described in Note 20.

Labor Obligations

América Móvil recognizes liabilities on its consolidated statement of financial position and expenses in its comprehensive income statement to reflect its obligations related to its post-retirement seniority premiums, pension and retirement plans in the countries in which it operates and offer defined contribution and benefit pension plans. The amounts the Company recognizes are determined on an actuarial basis that involves many estimates and accounts for post-retirement and termination benefits in accordance with IFRS.

América Móvil uses estimates in four specific areas that have a significant effect on these amounts: (i) the rate of return América Móvil assumes its pension plan will achieve on its investments, (ii) the rate of increase in salaries that the Company assumes it will observe in future years, (iii) the discount rates that the Company uses to calculate the present value of its future obligations and (iv) the expected rate of inflation. The assumptions América Móvil has applied are further disclosed in Note 17. These estimates are determined based on actuarial studies performed by independent experts using the projected unit-credit method.

Allowance for Bad Debts

América Móvil maintains an allowance for bad debts for estimated losses resulting from the failure of its customers, distributors and cellular operators to make required payments. The Company bases these estimates on the individual conditions of each of the markets in which it operates that may impact the collectability of accounts. In particular, in making these estimates the Company takes into account with respect to accounts (i) with customers, the number of days since the calls were made, (ii) with distributors, the number of days invoices are overdue and (iii) with cellular operators, both the number of days since the calls were made and any disputes with respect to such calls. The amount of loss, if any, that América Móvil actually experiences with respect to these accounts may differ from the amount of the allowance maintained in connection with them. See Note 5.

z.3) Reclassifications

The following amounts in consolidated statements of comprehensive income for the years ended December 31, 2012 and 2013 have been reclassified to conform to the presentation for the year ended December 31, 2014:

	As previously Reported	Reclassification	2012, As reclassified
In the Consolidated Statement of Comprehensive income:			
Interest income	Ps. 5,776,600	Ps. (1,917,514)	Ps. 3,859,086
Interest expense	(24,914,596)	2,646,825	(22,267,771)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	(12,535,708)	(729,311)	(13,265,019)
Equipment, accessories, computer sale and other services	87,613,043	(87,613,043)	—
Sales of equipment, accessories and Computer	—	69,562,903	69,562,903
Other services	—	18,050,140	18,050,140
	Ps. 55,939,339	Ps. —	Ps. 55,939,339
In the Consolidated Statement of Cash Flows:			
Loss in partial sales of shares of associated company	Ps. —	Ps. 795,028	Ps. 795,028
Interest income	(5,776,600)	1,917,514	(3,859,086)
Interest expense	24,914,596	(2,646,825)	22,267,771
(Gain) loss in valuation of derivative financial instruments, capitalized interest expense and other, net	2,988,396	(65,717)	2,922,679
	Ps. 22,126,392	Ps. —	Ps. 22,126,392

	As previously reported		Reclassification		2013, As reclassified	
In the Consolidated Statement of Financial Position:						
Licenses and rights of use, net	Ps.	37,053,832	Ps.	(37,053,832)	Ps.	—
Trademarks, net		1,166,306		(1,166,306)		—
Intangibles, net		—		38,220,138		38,220,138
	Ps.	38,220,138	Ps.	—	Ps.	38,220,138
In the Consolidated Statement of Comprehensive income:						
Equipment, accessories, computer sale and other services	Ps.	103,817,288	Ps.	(103,817,288)	Ps.	—
Sales of equipment, accessories and Computer		—		84,544,261		84,544,261
Other services		—		19,273,027		19,273,027
Interest income		6,245,323		(3,319,489)		2,925,834
Interest expense		(30,349,694)		6,399,041		(23,950,653)
Valuation of derivatives, interest cost from labor obligations and other financial items, net		(5,211,983)		(3,079,552)		(8,291,535)
	Ps.	74,500,934	Ps.	—	Ps.	74,500,934
In the Consolidated Statement of Cash Flows:						
Loss in partial sales of shares of associated company	Ps.		Ps.	896,956	Ps.	896,956
Interest income		(6,245,323)		3,319,489		(2,925,834)
Interest expense		30,349,694		(6,399,041)		23,950,653
(Gain) loss in valuation of derivative financial instruments, capitalized interest expense and other, net		(8,027,124)		2,182,596		(5,844,528)
	Ps.	16,077,247	Ps.	—	Ps.	16,077,247

3. **New standards, interpretations and amendments thereof**

The Company applied for the first time certain standards and amendments, which were effective for annual periods beginnings on or after January 1, 2014. However, the adoption of those IFRS standards and amendments did not have a significant impact on the consolidated financial statements of América Móvil.

The nature and the impact of each new standard/amendment are described below:

Investment Entities – Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements.

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The Company determined these amendments had no impact on the Company´s consolidated results or in its consolidated statements.

Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32 Financial Instruments

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. The Company determined these amendments had no impact on the Company’s consolidated results or in its consolidated statements.

Recoverable Amount Disclosures for Non-Financial Assets — Amendments to IAS 36 Impairment of Assets

These amendments require disclosure of the recoverable amounts of the assets or cash generating units (“CGUs”) for which an impairment loss has been recognized or reversed during the period. The Company determined these amendments had no impact on the disclosures of the Company’s consolidated statements.

Novation of Derivatives and Continuation of Hedge Accounting — Amendments to IAS 39 Financial Instruments

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. The Company determined these amendments had no impact on the Company's consolidated results or in its consolidated statements.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Company determined this IFRIC had no impact on the Company's consolidated results or in its consolidated statements.

Improvements to IFRSs – 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 was effective immediately and, it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The Company determined these new improvements had no impact on the Company's consolidated results or in its consolidated statements.

The amendments to IFRS 8 *Operating segments* became effective on July 1, 2014 and are applied retrospectively and clarify that an entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The disclosures related to these amendment are described in Notes 2z) and 21.

The amendments to IFRS 2 *Share-based payment,* IFRS 3 *Business combination*, IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets* and IAS 24 *Related parties* did not have an impact in the Company's consolidated financial statements.

Improvements to IFRSs – 2011-2013 Cycle:

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 was effective immediately and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The Company determined these new improvements had no impact on the Company´s consolidated results or in its consolidated statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. The Company determined this amendment had no impact on the Company's consolidated results or in its consolidated statements.

Standards issued but not yet effective and annual improvements

The Company has not early adopted any other IFRS interpretation or amendment that has been issued but is not yet effective.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are as describe below. The Company is in process of analyzing its impact in its financial statement and the relative notes.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company has yet to quantify the impact these amendments will have on its financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company has yet to quantify the impact these amendments will have on its financial statements.

4. Cash and Cash Equivalents

	At December 31,			
	2013		**2014**	
Cash in banks	Ps.	22,617,446	**Ps.**	**38,601,071**
Short-term deposits		25,546,104		**27,872,632**
	Ps.	48,163,550	**Ps.**	**66,473,703**

5. Accounts receivable from subscribers, distributors, recoverable taxes and other, net

a) An analysis of accounts receivable at December 31, 2013 and 2014 is as follows:

	At December 31,			
	2013		**2014**	
Subscribers and distributors	Ps.	96,007,977	**Ps.**	**121,490,248**
Mobile phone carriers for network interconnection and other services including calling party pays		6,305,459		**7,181,554**
Recoverable taxes		31,116,185		**23,556,336**
Sundry debtors		14,735,135		**19,041,797**
		148,164,756		**171,269,935**
Less: Allowance for bad debts		(20,292,099)		**(25,685,528)**
Net	Ps.	127,872,657	**Ps.**	**145,584,407**

b) Changes in the allowance for bad debts were as follows:

	For the years ended December 31,					
	2012		2013		**2014**	
Balance at beginning of year	Ps.	(23,358,822)	Ps.	(22,438,144)	**Ps.**	**(20,292,099)**
Increases recorded in expenses		(12,009,580)		(10,417,235)		**(11,770,721)**
Charges against the allowance		10,534,631		14,405,151		**4,978,376**
Translation effect		2,395,627		(1,841,871)		**1,398,916**
Balance at end of year	Ps.	(22,438,144)	Ps.	(20,292,099)	**Ps.**	**(25,685,528)**

c) The following table shows the aging of accounts receivable at December 31, 2013 and 2014, for subscribers and distributors:

	Total	Unbilled services provided	1-30 days	30-60 days	61-90 days	Greater than 90 days
December 31, 2013....	Ps. 96,007,977	Ps. 48,223,217	Ps. 21,308,236	Ps. 3,561,179	Ps. 2,439,653	Ps. 20,475,692
December 31, 2014....	Ps. 121,490,248	Ps. 59,703,005	Ps. 25,946,186	Ps. 3,908,512	Ps. 2,551,247	Ps. 29,381,298

In accordance with the Company's accounting policy for the allowance for bad debts, as of December 31, 2013 and 2014, there are accounts receivable greater than 90 days that are not impaired as they are primarily due from governmental institutions. To estimate the recoverability of accounts receivable, the Company considers any change in the credit quality of the subscribers and distributors from the date the credit was granted until the end of period.

d) The following table shows the accounts receivable from subscribers and distributors included in the allowance for doubt accounts, as of December 31, 2013 and 2014:

	Total	61-90 days	Greater than 90 days
December 31, 2013..	Ps. 20,292,099	Ps. 814,500	Ps. 19,477,599
December 31, 2014..	Ps. 25,685,528	Ps. 1,026,898	Ps. 24,658,630

6. Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2013 and 2014. All of the companies were considered affiliates of América Móvil since the Company or the Company's principal shareholders are also direct or indirect shareholders in the related parties.

	2013	2014
Accounts receivable:		
Sanborns Hermanos, S.A.	Ps. 235,075	**Ps. 254,423**
Sears Roebuck de México, S.A. de C.V.	353,724	**220,501**
AT&T Corp. (AT&T).....................................	80,438	**—**
Patrimonial Inbursa, S.A.................................	245,318	**182,753**
Other..	431,837	**662,430**
Total..	Ps. 1,346,392	**Ps. 1,320,107**

	2013	2014
Accounts payable:		
Fianzas Guardiana Inbursa, S.A. de C.V.	Ps. 212,765	**Ps. 452,333**
Operadora Cicsa, S.A. de C.V.	280,374	**667,358**
PC Industrial, S.A. de C.V.	176,095	**180,560**
Microm, S.A. de C.V.	77,690	**29,710**
Grupo Financiero Inbursa, S.A.B. de C.V.	36,366	**35,678**
Conductores Mexicanos Eléctricos y de Telecomunicaciones, S.A. de C.V.	52,268	**—**
Acer Computec México, S.A. de C.V.	32,214	**29,612**
Sinergía Soluciones Integrales de Energía, S.A. de C.V.	35,826	**61,098**
Eidon Software, S.A. de C.V.	25,461	**69,911**
AT&T Corp. (“AT&T”)	1,039,043	**—**
Other	584,235	**1,561,032**
Total	Ps. 2,552,337	**Ps. 3,087,292**

For the years ended December 31, 2012, 2013 and 2014, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

b) For the years ended December 31, 2012, 2013 and 2014, the Company conducted the following transactions with related parties:

	2012	2013	2014
Investments and expenses:			
Construction services, purchases of materials, inventories and property, plant and equipment (i)	Ps. 6,014,441	Ps. 4,631,435	**Ps. 5,424,826**
Insurance premiums, fees paid for administrative and operating services, brokerage services and others (ii)	2,411,663	2,349,494	**2,188,261**
Call termination costs (iii)	10,983,962	14,470,985	**6,141,063**
Interconnection cost	250,426	308,483	**120,119**
Other services	981,496	1,142,771	**955,833**
	Ps. 20,641,988	Ps. 22,903,168	**Ps. 14,830,102**
Revenues:			
Sale of long-distance services and other telecommunications services	Ps. 352,086	Ps. 277,522	**Ps. 291,038**
Sale of materials and other services	447,390	439,091	**506,100**
Call termination revenues	486,230	617,058	**201,990**
	Ps. 1,285,706	Ps. 1,333,671	**Ps. 999,128**

(i) In 2014, this amount includes Ps.5,330,989 (Ps.4,441,279 in 2013 and Ps.5,867,810 in 2012, respectively) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (“Grupo Carso”).

(ii) In 2014, this amount includes Ps.537,904 (Ps.765,097 in 2013 and Ps.704,200 in 2012) for network maintenance services performed by Grupo Carso subsidiaries; Ps.634,368 in 2014 (Ps.555,984 and Ps.599,784, in 2013 and 2012, respectively) for software services provided by an associate; Ps.676,335 in 2014 (Ps.627,945 and Ps.669,118 in 2013 and 2012, respectively) for insurance premiums with Seguros Inbursa S.A., which, in turn, places most of such insurance with reinsurers.

(iii) Includes the cost of buying airtime, long-distance services and megabytes navigation for value added services of Ps.6,008,380 in 2014 (Ps.14,326,300 in 2013 and Ps.10,937,396 in 2012) from AT&T subsidiaries.

c) During 2014, the Company paid Ps. 1,037,513 (Ps.920,244 and Ps.942,090 in 2013 and 2012, respectively) for short-term direct benefits to its executives.

d) In November 2010, the Company entered into a revolving credit agreement with its affiliate Banco Inbursa S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa. The agreement provides a line of credit to the Company and/or its subsidiaries for up to Ps.5,230,600 (US$400,000), of which no amounts are outstanding.

e) On June 27, 2014, Inmobiliaria Carso, S.A. de C.V. and Control Empresarial de Capitales, S.A. de C.V. acquired the share that AT&T had of the Company's stock. Therefore, since such date, AT&T is no longer considered a related party and is thus not included in the December 31, 2014 related party disclosures with respect to the analysis of the balances with related parties. AT&T is included as a related party in the 2013 disclosures above and in the 2014 disclosures for to the period ended June 27, 2014.

7. 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 3.5%.

An analysis of the derivative financial instruments contracted by the Company at December 31, 2013 and 2014 is as follows:

	At December 31,							
	2013				**2014**			
Instrument	Notional amount in millions		Fair value		**Notional amount in millions**		**Fair value**	
Swaps US Dollar-Mexican peso..........	US$	6,002	Ps.	7,558,469	**US$**	**4,725**	**Ps.**	**12,628,794**
Swaps Euro-Mexican peso	€	720		1,808,629	**€**	**142**		**232,904**
Swaps Euro-US Dollar	€	945		390,520	**€**	**4,505**		**6,526,253**
Swaps CHF-US Dollar	CHF	230		81,413				
Swaps CNY-US Dollar	CNY	1,000		184,690	**CNY**	**1,000**		**65,921**
Forwards US Dollar-Mexican peso	US$	5,375		361,845				
Forwards Euro-US Dollar	€	200		83,750				
Forwards Euro-Mexican peso					**€**	**200**		**3,082,184**
Total Assets			Ps.	10,469,316			**Ps.**	**22,536,056**

Instrument	At December 31, 2013 Notional amount in millions		2013 Fair value		2014 Notional amount in millions		2014 Fair value	
Interest rate swaps in Mexican peso	Ps.	23,640	Ps.	(2,219,795)	**Ps.**	**23,640**	**Ps.**	**(1,690,560)**
Forwards Dollar-Mexican Peso					**US$**	**2,215**		**(4,523,389)**
Forwards Euro-Dollar					**€**	**2,165**		**(1,148,832)**
Swaps Euro-Dollar					**€**	**510**		**(391,604)**
Swaps Yen-US Dollar	¥	12,000		(566,558)	**¥**	**5,100**		**(355,962)**
Swaps CHF-Euro	CHF	270		(158,559)	**CHF**	**270**		**(77,760)**
Swaps CHF-Dollar					**CHF**	**230**		**(298,753)**
Swaps Sterling pound-Euro	£	2,720		(2,421,411)	**£**	**1,770**		**(40,952)**
Total liability			Ps.	(5,366,323)			**Ps.**	**(8,527,812)**

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2012, 2013 and 2014 amounted to a (loss) gain of Ps. (6,075,490), Ps. 2,841,952 and Ps. 7,397,142, respectively, and such amounts are included in the consolidated statements of comprehensive income as part of the caption "Valuation of derivatives interest cost from labor obligations and other financial items, net" and Ps. (253,428), Ps.(741,321) and Ps.(329,112), net of tax, that are accounted for as "Effect of derivative financial instruments acquired for hedging purposes" in equity.

The maturities of the notional amount of the derivatives are as follows:

Instrument	Notional amount in millions		2015	2016	2017	2018	2019	Thereafter
Swaps US Dollar- Mexican peso	**US$**	**4,725**		350			350	4,025
Swaps Euro- Mexican peso	**€**	**142**		72	70			
Swaps Euro- US Dollar	**€**	**4,505**						4,505
Swaps CNY-US Dollar	**CNY**	**1,000**	1,000					
Forwards Euro-Mexican peso	**€**	**200**	200					
Total assets								
Interest rate swaps in Mexican peso	**Ps.**	**23,640**	3,840	4,050	15,350		400	
Swaps Yen- US Dollar	**¥**	**5,100**			5,100			
Swaps CHF-Euro	**CHF**	**270**				270		
Swaps CHF-Dollar	**CHF**	**230**	230					
Swaps Euro-Dollar	**€**	**510**			10	500		
Swaps Sterling pound-Euro	**£**	**1,770**						1,770
Forwards Dollar–Mexican Peso	**US$**	**2,215**	2,215					
Forwards Euro–Dollar	**€**	**2,165**	1,425	500	240			
Total liabilities								

8. Inventories, Net

An analysis of inventories at December 31, 2013 and 2014 is as follows:

	2013		2014	
Mobile phones, accessories, cards and other materials	Ps.	39,238,656	**Ps.**	**38,946,979**
Less: Reserve for obsolete and slow-moving inventories		(2,519,703)		**(3,016,697)**
Total	Ps.	36,718,953	**Ps.**	**35,930,282**

For the years ended December 31, 2012, 2013 and 2014, the cost of inventories recognized in cost of sales was Ps.110,465,701, Ps.121,994,900 and Ps.129,634,613, respectively.

9. Other assets, Net

a) An analysis of other assets at December 31, 2013 and 2014 is as follows:

	2013		2014	
Current portion:				
Advances to suppliers	Ps.	7,999,148	**Ps.**	**8,808,396**
Costs of mobile equipment and computers associated with deferred revenues		3,041,371		**5,061,591**
Prepaid insurance		605,318		**1,423,889**
Other		481,363		**1,269,726**
	Ps.	12,127,200	**Ps.**	**16,563,602**

	2013		2014	
Non-current portion:				
Recoverable taxes	Ps.	3,269,699	**Ps.**	**7,162,377**
Advance payments for the use of fiber optics		2,765,495		**2,851,089**
Prepaid expenses and judicial deposits (1)		11,305,088		**17,842,567**
Total	Ps.	17,340,282	**Ps.**	**27,856,033**

For the years ended December 31, 2012, 2013 and 2014, the amortization expense for other assets was Ps.244,538, Ps.127,058 and Ps.284,088, respectively.

(1) Judicial deposits represent cash pledged in order to fulfill the collateral requirements for tax contingencies in Brazil. At December 31, 2013 and 2014, the amount for these deposits is Ps.7,305,140 and Ps.13,874,471, respectively. Based on its evaluation of the underlying contingencies, the Company believes that such amounts are recoverable.

10. Property, Plant and Equipment, Net

An analysis of property, plant and equipment, net at December 31, 2012, 2013 and 2014 is as follows:

	At December 31, 2011	Additions	Retirements	Business combinations	Effect of translation	Hyperinflation restatement	Depreciation of the year	At December 31, 2012
Cost:								
Telephonic plant in operation and equipment	Ps. 412,001,302	Ps. 104,467,913	Ps. (25,693,072)	Ps. 33,113,663	Ps. (56,393,038)			Ps.467,496,768
Land and buildings	55,250,523	2,434,107	(1,219,353)	255,018	(4,181,864)			52,538,431
Other assets	65,455,040	9,883,676	(5,413,649)	40,160	(1,977,322)			67,987,905
Construction in process and advances plant suppliers [1]	50,848,277	19,730,746	(21,177,560)	132,902	(3,588,130)			45,946,235
Inventories for operation of the plant	17,995,007	11,603,283	(12,647,522)		(925,663)			16,025,105
Total	601,550,149	148,119,725	(66,151,156)	33,541,743	(67,066,017)			649,994,444
Accumulated depreciation								
Telephonic plant in operation and equipment	107,951,128		(22,753,727)		(43,392,735)		83,905,974	Ps.125,710,640
Land and buildings	1,838,362		(306,881)		(1,641,993)		1,097,460	986,948
Other assets	25,687,189		(6,297,626)		(3,740,236)		7,282,983	22,932,310
Inventories for operation of the plant	(13,303)		(24,451)		(13,830)		(18,142)	(69,726)
Total	135,463,376		(29,382,685)		(48,788,794)		92,268,275	149,560,172
Net Cost	Ps. 466,086,773	Ps. 148,119,725	Ps. (36,768,471)	Ps.33,541,743	Ps. (18,277,223)		Ps. (92,268,275)	Ps. 500,434,272

	At December 31, 2012	Additions	Retirements	Business combinations	Effect of translation	Hyperinflation restatement	Depreciation of the year	At December 31, 2013
Cost:								
Telephonic plant in operation and equipment	Ps. 467,496,768	Ps. 116,170,134	Ps. (17,995,021)	Ps. 310	Ps. (55,763,545)			Ps. 509,908,646
Land and buildings	52,538,431	2,567,068	(3,298,197)		(3,579,859)			48,227,443
Other assets	67,987,905	22,957,505	(8,367,342)	87,122	(4,654,256)			78,010,934
Construction in process and advances plant suppliers (1)	45,946,235	13,085,094	(15,326,412)	1,268	(3,874,210)			39,831,975
Inventories for operation of the plant	16,025,105	12,458,316	(10,142,059)		(975,281)			17,366,081
Total	649,994,444	167,238,117	(55,129,031)	88,700	(68,847,151)			693,345,079
Accumulated depreciation								
Telephonic plant in operation and equipment	125,710,640		(11,006,444)		(33,975,506)		80,867,568	161,596,258
Land and buildings	986,948		(31,133)		(1,322,209)		1,973,707	1,607,313
Other assets	22,932,310		(3,380,289)		(2,485,845)		11,994,657	29,060,833
Inventories for operation of the plant	(69,726)		(11,121)		(3,298)		57,869	(26,276)
Total	Ps. 149,560,172		(14,428,987)		Ps. (37,786,858)		94,893,801	Ps. 192,238,128
Net Cost	Ps. 500,434,272	Ps. 167,238,117	Ps. (40,700,044)	Ps. 88,700	Ps. (31,060,293)		Ps. (94,893,801)	Ps. 501,106,951

	At December 31, 2013	Additions	Retirements	Business combinations	Effect of translation	Hyperinflation restatement	Depreciation of the year	At December 31, 2014
Cost								
Telephonic plant in operation and equipment	**Ps. 509,908,646**	**Ps. 108,661,794**	**Ps. (30,933,135)**	**54,202,020**	**634,026**	**143,886**		**642,617,237**
Land and buildings	**48,227,443**	**3,650,705**	**(823,850)**	**5,271,503**	**124,621**	**13,114**		**56,463,536**
Other assets	**78,010,934**	**39,953,790**	**(11,426,188)**	**5,417,138**	**2,586,726**	**21,200**		**114,563,600**
Construction in process and advances plant suppliers [1]	**39,831,975**	**13,543,305**	**(16,386,806)**	**2,600,498**	**(491,799)**	**10,012**		**39,107,185**
Inventories for operation of the plant	**17,366,081**	**15,580,184**	**(12,958,645)**	**962,017**	**(100,923)**	**—**		**20,848,714**
Total	**693,345,079**	**181,389,778**	**(72,528,624)**	**68,453,176**	**2,752,651**	**188,212**		**873,600,272**
Accumulated depreciation								
Telephonic plant in operation and equipment	**161,596,258**		**(16,618,742)**		**(2,950,031)**	**98,918**	**92,400,728**	**234,527,131**
Land and buildings	**1,607,313**		**(185,421)**		**125,881**	**1,364**	**2,179,268**	**3,728,405**
Other assets	**29,060,833**		**(3,596,940)**		**981,659**	**18,933**	**13,334,198**	**39,798,683**
Inventories for operation of the plant	**(26,276)**		**(29,199)**		**10,235**	**—**	**(5,025)**	**(50,265)**
Total	**192,238,128**		**(20,430,302)**		**(1,832,256)**	**119,215**	**107,909,169**	**278,003,954**
Net Cost	**Ps. 501,106,951**	**Ps. 181,389,778**	**Ps. (52,098,322)**	**Ps.68,453,176**	**Ps. 4,584,907**	**Ps. 68,997**	**Ps. (107,909,169)**	**Ps. 595,596,318**

(1) Construction in progress includes fixed and mobile telephone facilities as well as satellite developments and fiber optic which is in the process of being installed.

The completion period of construction in progress is variable and depends upon the type of fixed assets under construction. In the case of telephone plant (switching and transmission), it takes 6 months on average; for others, it may take more than 2 years.

b) At December 31, 2013 and 2014, property, plant and equipment include the following assets under capital leases:

	2013	2014
Assets under capital leases	Ps. 972,601	**Ps. 1,281,452**
Accumulated depreciation	(367,698)	**(888,537)**
	Ps. 604,903	**Ps. 392,915**

c) On September 30, 2014, the Company signed the final acceptance certificate for a submarine cable system. The cable extends from the U.S. to Central America and Brazil, which provides international connectivity to all the Company subsidiaries in these geographic areas. The total investment capitalized at December 31, 2014 is Ps.4,275,682 (US$ 290,507).

d) At December 31, 2014, Claro Brasil has land and buildings and other equipment that is pledged in guarantee of legal proceedings in the amount of Ps. 4,012,658 (Ps.1,619,109 in 2013).

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

	Years ended December 31,		
	2012	2013	2014
Amount invested in the acquisition of qualifying assets	Ps. 52,849,800	Ps. 46,686,790	**Ps. 47,332,317**
Capitalized interest	3,152,811	3,002,756	**3,258,928**
Capitalization rate	6.0%	6.4%	**6.9%**

Capitalized interest is being amortized over a period of seven years, which is the estimated useful life of the related assets.

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.4,268,220 (US$290,000). At December 31, 2013 and 2014, the amount of construction in process associated with this project amounts to and Ps.2,567,775 and Ps.3,332,567, respectively.

g) On July 9, 2013, Star One signed an agreement denominated in US dollars with a manufacturer for construction and launching of the Star One D1 satellite, which will be equipped with transponders in Bands C, Ku and Ka. The cost of this project is estimated to be approximately Ps. 5,946,072 (US$ 404,000) and the launch expected in the first quarter of 2016. The Star One D1 will replace the satellite BRASILSAT B4. At December 31, 2014, the amount recorded with in Construction in progress amounts to Ps. 2,661,801.

11. Intangible assets

a) An analysis of intangible assets at December 31, 2012, 2013 and 2014 is as follows:

	At December 31, 2012						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	Ps. 130,061,372	Ps. 7,830,248	Ps. 12,414,914	Ps. —	Ps. —	Ps. (16,545,574)	Ps. 133,760,960
Accumulated amortization	(91,530,473)	—	—	—	(9,482,044)	11,303,987	(89,708,530)
Net	38,530,899	7,830,248	12,414,914	—	(9,482,044)	(5,241,587)	44,052,430
Trademarks	Ps. 12,311,880	—	—	—	—	(713,321)	11,598,559
Accumulated amortization	(9,305,026)	—	—	—	(1,589,880)	439,662	(10,455,244)
Net	3,006,854	—	—	—	(1,589,880)	(273,659)	1,143,315
Total of Intangibles, net	Ps. 41,537,753	Ps. 7,830,248	Ps. 12,414,914	Ps. —	Ps. (11,071,924)	Ps. (5,515,246)	Ps. 45,195,745
Goodwill	Ps. 73,038,433	Ps. —	Ps. 31,347,978	Ps. (278,756)	—	Ps. (4,401,796)	Ps. 99,705,859

	At December 31, 2013						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	Ps. 133,760,960	Ps. 3,334,464	Ps. —	Ps. (2,158,796)	Ps. —	Ps. (11,853,114)	Ps. 123,083,514
Accumulated amortization	(89,708,530)		—		(6,271,998)	9,950,846	(86,029,682)
Net	44,052,430	3,334,464	—	(2,158,796)	(6,271,998)	(1,902,268)	37,053,832
Trademarks	Ps. 11,598,559	—	—	387,926	—	(285,879)	11,700,606
Accumulated amortization	(10,455,244)	—	—	—	(241,976)	162,920	(10,534,300)
Net	1,143,315	—	—	387,926	(241,976)	(122,959)	1,166,306
Total of Intangibles, net	Ps. 45,195,745	Ps. 3,334,464	Ps. —	Ps. (1,770,870)	Ps (6,513,974)	Ps. (2,025,227)	Ps. 38,220,138
Goodwill	Ps. 99,705,859	Ps. —	Ps. 1,200,061	Ps. (3,655,164)	Ps. —	Ps. (4,764,472)	Ps. 92,486,284

	At December 31, 2014						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	**Ps. 123,083,514**	**Ps. 24,946,015**	**Ps. 27,504,303**	**Ps. —**	**—**	**Ps. (738,738)**	**Ps. 174,795,094**
Accumulated amortization	**(86,029,682)**	**—**	**—**	**—**	**Ps. (6,013,565)**	**811,998**	**(91,231,249)**
Net	**37,053,832**	**24,946,015**	**27,504,303**	**—**	**(6,013,565)**	**73,260**	**83,563,845**
Trademarks	**Ps. 11,700,606**	**1,584,189**	**8,930,690**	**—**	**—**	**59,506**	**22,274,991**
Accumulated amortization	**(10,534,300)**	**—**	**—**	**—**	**(300,778)**	**5,676**	**(10,829,402)**
Net	**1,166,306**	**1,584,189**	**8,930,690**	**—**	**(300,778)**	**65,182**	**11,445,589**
Customer relationships	**—**	**—**	**15,249,879**	**—**	**—**	**56,288**	**15,306,167**
Accumulated amortization	**—**	**—**	**—**	**—**	**(485,951)**	**—**	**(485,951)**
Net	**—**	**—**	**15,249,879**	**—**	**(485,951)**	**56,288**	**14,820,216**
Total of Intangibles, net	**Ps. 38,220,138**	**Ps. 26,530,204**	**Ps. 51,684,872**	**Ps. —**	**Ps. (6,800,294)**	**Ps. 194,730**	**Ps. 109,829,650**
Goodwill	**Ps. 92,486,284**	**Ps.**	**Ps. 51,316,970**	**Ps. (1,642,939)**	**Ps. —**	**Ps. (1,256,924)**	**Ps. 140,903,391**

b) The aggregate carrying amount of goodwill is allocated as follows:

	2013	2014
Europe (7 countries)	Ps. —	Ps. 50,955,499
Brazil (Fixed, wireless and TV)	22,483,917	22,338,319
Puerto Rico	17,463,394	17,463,393
Dominican Republic	14,186,724	14,186,724
Mexico (includes Telmex)	10,729,462	9,734,666
Ecuador	2,155,385	2,155,385
Peru	2,209,484	2,230,651
El Salvador	2,510,596	2,510,596
Chile	2,353,463	2,308,587
Colombia	14,402,035	13,063,780
Other countries	3,991,824	3,955,791
	Ps. 92,486,284	Ps. 140,903,391

c) The following is a description of the major changes in the "Licenses and rights of use" caption during the years ended December 31, 2012, 2013 and 2014:

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) As part of the business combination of Net Serviços de Comunicação, S.A (now Claro Brasil), 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, these licenses are considered as indefinite life intangible and are not amortized.

iii) In September 2012, Claro Brasil 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, Espíritu Santo, Sao Paulo, Amazonas, Maranha, Roraima, Amapá and Pará. Such licenses expire in October 2027.

Also Claro Brasil acquired licenses related to 4G (fourth generation) services, or broadband of 2,500 MHz to provide 4G services in Brazilian territory, except for the Brazilian state of Amazonas. Such licenses expire up to October 2027.

Additionally, the licenses of 850 MHz which were to expire during 2012 and 2013 were renewed. These renewals expire in October 2027. The amount paid for these renewals was Ps.5,710,116.

2013 Acquisitions

i) In October 2013, Claro Colombia acquired radio spectrum band 2500 Mhz to 2690 Mhz for a period of 10 years. The amount paid was Ps.815,488.

ii) Claro Brasil and its subsidiaries acquired various radio frequencies and TV licenses, for a period that ranges from 3 to 19 years. The amount paid was Ps.2,149,074.

2014 Acquisitions

i) In March 2014, Claro Colombia renewed a license for the use of the radio spectrum granted to Comunicación Celular, S.A. (Claro) in the 824.040 Mhz to 891.480 Mhz and 1,877 Mhz to 1,965 Mhz bands for a period that ends in March 2024. The amount paid was Ps.1,018,190.

ii) On September 30, 2014, Claro Brasil obtained a license to provide the cellular service in the 700 national MHz frequency band. On December 8, 2014, Anatel assigned formally to Claro Brasil the frequency band. The total consideration for the acquisition of this band was Ps.15,588,866. Claro Brasil paid Ps.9,662,144 in 2014 and the remaining amount will be paid in four equal annual installments. The frequency band expires in 2029.

iii) As a part of the business combination of Telekom Austria, the Company recognized licenses for amount of for an amount of Ps.27,504,303. Telekom Austria holds mobile telecommunication licenses provided by regulatory authorities in Austria, Croatia, Slovenia, Serbia, Bulgaria, Belarus and Macedonia. These licenses are estimated to have a remaining useful life of 10 years.

iv) In 2014, Argentina paid Ps.4,151,753 (AR$ 2,385,379) for the acquisition of 4G licenses to increase the service in all the country.

v) Additionally the Company acquired other licenses in the Dominican Republic, Brazil and others in the amount of Ps.4,187,206.

d) Amortization of licenses, rights of use and trademarks for the years ended December 31, 2012, 2013 and 2014 amounted to Ps.11,071,924, Ps.6,513,974 and Ps.6,800,294, respectively.

12. Investments in associated companies and business combinations

a) The following is a summary of changes in the investment in the Company's associates during the years ended December 31, 2012, 2013 and 2014:

	Balance at December 31, 2011	Acquisition	Acquisition in business combinations	Disposals / Other	Equity interest in net income (loss) of associate	Equity interest in OCI and effect of translation	Balance at December 31, 2012
NET	Ps. 53,055,002	Ps. —	Ps.	Ps. (53,055,002)	Ps. —	Ps. —	Ps. —
KPN		55,081,964		—	408,179	(482,669)	55,007,474
Telekom Austria		16,363,888		—	380,334	8,502	16,752,724
Other	1,163,021	379,564		—	(27,152)	(159,346)	1,356,087
Total	Ps. 54,218,023	Ps. 71,825,416	Ps.	Ps. (53,055,002)	Ps. 761,361	Ps. (633,513)	Ps. 73,116,285

	Balance at December 31, 2012	Acquisition	Acquisition in business combinations	Disposals / Other	Equity interest in net income (loss) of associate	Equity interest in OCI and effect of translation	Balance at December 31, 2013
KPN	Ps. 55,007,474	Ps. 14,988,270	Ps.	Ps. (6,040,933)	Ps. (244,514)	Ps. 5,522,000	Ps. 69,232,297
Telekom Austria	16,752,724			(88,461)	326,129	659,583	17,649,975
Other	1,356,087	838,373			(45,333)	(144,375)	2,004,752
Total	Ps. 73,116,285	Ps. 15,826,643	Ps.	Ps. (6,129,394)	Ps. 36,282	Ps. 6,037,208	Ps. 88,887,024

	Balance at December 31, 2013	Acquisition	Acquisition in business combinations	Disposals / Other	Equity interest in net income (loss) of associate	Equity interest in OCI and effect of translation	Balance at December 31, 2014
KPN	**Ps. 69,232,297**	**Ps.**	**Ps.**	**Ps. (17,620,649)**	**Ps. (5,232,635)**	**Ps. 36,896**	**Ps. 46,415,909**
Telekom Austria	**17,649,975**	**1,770,112**		**(18,553,725)**	**(819,000)**	**(47,362)**	**—**
Other	**2,004,752**	**884,230**	**180,900**	**(358,316)**	**(21,374)**	**156,480**	**2,846,672**
Total	**Ps. 88,887,024**	**Ps. 2,654,342**	**Ps. 180,900**	**Ps. (36,532,690)**	**Ps. (6,073,009)**	**Ps. 146,014**	**Ps. 49,262,581**

b) The following is a description of the major acquisitions of investments in associates and subsidiaries during the years ended December 31, 2012, 2013 and 2014:

Acquisitions 2012

i) Acquisition of Control over NET (now Claro Brasil)

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 (Now Claro Brasil) to exercise a call option on the shares held by GB Empreendimentos e Participaçoes SA ("GB"), a company that previously controlled NET, which until that time was controlled by Globo Cominicação e Particpaçoes S.A. ("Globo"). Once this option was exercised, Embrapar and its subsidiary Embratel (now Claro Brasil) 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 and Embrapar reached 54.54% in the voting capital of GB. As a result of this transaction, América Móvil held an equity interest (directly and indirectly) in NET of 88.0%.

América Móvil obtained control of NET, in accordance with IFRS 3, *Business combinations*, and recognized the fair value of NET's assets acquired, liabilities assumed and non-controlling interest. As part of the business combination, América Móvil derecognized its equity method investment in NET. The difference between the carrying value and the acquisition date fair value of the equity method investment in NET that was derecognized was not material and accordingly, no gain or loss was recognized.

NET's operating results were consolidated in the statement of comprehensive income beginning January 1, 2012.

The consideration transferred to acquire 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 fair value of the net assets acquired is as follows:

Other 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	Ps.	65,923,481

Liabilities and account payable short-term	Ps.	16,062,621
Liabilities and account payable short-term		6,998,214
Long term debt		16,165,150
Total of liabilities assumed		39,225,985
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
Purchase consideration transferred		(47,951)
Fair value of investment in NET de-recognized at the acquisition date	Ps.	53,453,020

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

On May 29, 2012, AMOV Europa B.V. ("AMOV"), a wholly-owned subsidiary of América Móvil, 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.52,200,000).

During April 2013, KPN launched a rights offering to raise up to €3,000 billion of equity. Pursuant to the Company's agreement with KPN, the Company subscribed for new shares in the rights offering in proportion to the Company's previous ownership of KPN shares. Upon settlement of the offering on May 17, 2013, the Company paid € 895.8 million (Ps.14,200,000) and owned a total of 1,267,677,000 shares of KPN, continuing to represent 29.7% of the outstanding shares of KPN.

In August and November 2013, the Company received dividends for an amount of Ps.88,461 and Ps.123,932, respectively. The dividends received in 2014 amounted to Ps. 359,413

In November 2013, the Company sold shares of KPN representing 2.38% of KPN's outstanding shares for an amount of Ps 4.3 billion. At December 31, 2012 and 2013, the Company held 29.77% and 27.39% of the outstanding shares of KPN.

Since April 2013, the Company has had two representatives on KPN's Supervisory Board of a total of at least five and no more than nine members representatives. On August 9, 2013, the Company announced its intention to make a tender offer in cash for all of KPN's ordinary shares that it did not already own (the "Intended KPN Offer") at a price of € 2.40 per share. On August 29, 2013, the KPN Preference Shares B Foundation (Stichting Preferente Aandelen B KPN or the "KPN Foundation"), an independent legal entity with the statutory goal of protecting KPN's interests (which includes the interests of stakeholders, such as customers, shareholders and employees), exercised a call option in respect of securities of KPN. As a result, the KPN Foundation then held preferred shares of KPN representing 50% of the voting shares less one share, making América Móvil's goal of acquiring more than 50% of the voting rights for KPN unachievable. On October 16, 2013, the Company announced that it would not launch the Intended KPN Offer. On January 10, 2014 at KPN's Extraordinary General Meeting of Shareholders the requested approvals to cancel all outstanding preference shares B effective on March 21, 2014 were granted.

América Móvil's interest in KPN is accounted for using the equity method in the consolidated financial statements because, although the voting rights of the Company were reduced to 14.9% at December 31, 2013, its economic interests remained at 29.70% and the Company kept its two seats on the Supervisory Board, which is greater than 20% of Board representation, and which is the ultimately responsible for all decision-making. After the cancellation of the preference shares held by the KPN Preference Shares B Foundation, the voting rights of AMX became equal to its economic interest which, as of December 31, 2014, is 21.4%.

Summarized financial information of the associate, based on its IFRS financial information (adjusted for the Company's basis in such investee) is set out below:

	At December 31, 2013	At December 31, 2014
Current assets	Ps. 93,826,748	**Ps. 60,272,768**
Non current assets	400,042,101	**308,341,906**
Current liabilities	115,787,347	**86,287,101**
Non current liabilities	312,336,501	**222,483,131**
Equity	65,745,001	**59,844,442**
Non-controlling interests	(952,465)	**(1,014,933)**
Total equity	Ps. 64,792,536	**Ps. 58,829,509**

	2012 (1)	2013	2014
Revenues	Ps. 106,086,293	Ps. 143,714,146	**Ps. 142,670,935**
Operative expenses and other costs	104,714,118	144,547,525	**156,404,795**
Net income (loss)	1,372,175	(833,379)	**(13,733,860)**
Other comprehensive income (loss) items	(1,207,623)	2,798,965	**1,394,408**
Net comprehensive income for the year	Ps. 164,552	Ps. 1,965,586	**Ps. (12,339,452)**
Net income (loss) attributable to equity holders of the parent	1,338,630	(952,123)	**(13,980,970)**
Non-controlling interest	33,545	118,744	**247,110**
	Ps. 1,372,175	Ps. (833,379)	**Ps. (13,733,860)**
Net comprehensive income (loss) attributable to equity holders of the parent	131,007	1,846,843	**(12,586,562)**
Non-controlling interest	33,545	118,744	**247,110**
	Ps. 164,552	Ps. 1,965,587	**Ps. (12,339,452)**

(1) AMX acquired its equity interest in KPN during the second quarter of 2012, and the equity method results for 2012 were not material to its financial statements. This summarized financial information represents amounts for the entire year ended December 31, 2012.

Below is a reconciliation of the equity attributable to the KPN's shareholders in the table above with the equity method investment as of December 31, 2013 and 2014:

	2013	2014
Equity attributable to the KPN's shareholders	Ps .64,792,535	**Ps .58,844,442**
AMX share at December 31,...............................	27.39%	**21.40%**
	17,746,675	**12,592,711**
Goodwill..	51,485,622	**33,823,198**
Total investment in KPN....................................	Ps .69,232,297	**Ps .46,415,909**

As discussed in Note 2 k), 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 consolidated statement of comprehensive income.

As of December 31, 2013 and 2014, the Company owned 1,169,797,301 and 912,989,841 shares of KPN, with a carrying value of Ps. 69,232,297 and Ps.46,415,909, respectively. KPN's shares are traded on the Amsterdam Stock Exchange, and the closing price for such shares was €2.34 and € 2.63 per share at December 31, 2013 and 2014, respectively, equating to a Level 1 fair value of the Company's investment in KPN of Ps.49,255,640 and Ps.42,884,773 at December 31, 2013 and 2014 exchange rates. As of December 31, 2013 and 2014, the carrying value of the investment in KPN was Ps.19,976,657 and Ps.3,531,136, respectively, in excess of its Level 1 fair value. The Level 1 fair value of KPN increased to Ps.53,761,151 as of April 28, 2015, which exceeds its carrying value at that date.

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.

For 2013, the Company performed a value-in-use computation for its equity method investment in KPN as of December 31, 2013. The value-in-use computation was based in-part on KPN's actual financial results for 2013 and financial projections for the years 2014 to 2016. Beyond the three-year period of the KPN projections, free-cash flow was projected by the Company at 0.5% real growth rate to perpetuity (2.5% nominal, including projected inflation). The Company applied a discount rate of 7.2% (nominal) to the projected free cash flows of KPN, which was the estimated weighted average cost of capital. Based on the computation performed, a value in use of the Company's then 27.40% ownership interest exceeded its carrying value and thus no impairment charge was required in the Company's 2013 and 2014 consolidated financial statements.

iii) Telekom Austria

On June 15, 2012, the Company agreed to acquire approximately 21% of the outstanding shares of 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.15,977,000). Telekom Austria provides telecommunications services in Austria, Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovenia.

The Company owned 104,875,874 shares of Telekom Austria, with a carrying value of Ps.17,649,976 as of December 31, 2013. 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 Level 1 fair value of the Company's investment in Telekom Austria was Ps.10.4 billion as of December 31, 2013, which was Ps.7.3 billion less than its carrying value.

The Company performed a value-in-use computation for its equity method investment in Telekom Austria as of December 31, 2013. The value-in-use computation was based in-part on Telekom Austria's actual financial results for 2013 and financial projections for the years 2014 to 2016. Beyond the three-year period of the Telekom Austria projections, free-cash flow was projected by the Company at 1.0% real growth rate to perpetuity. The Company applied a discount rate of 6.9% (nominal) to the projected free cash flows of Telekom Austria, which is the estimated weighted average cost of capital. Based on the computation performed, a value in use of the Company's 22.33% ownership interest of Ps.20.0 billion was estimated as of December 31, 2013, respectively, thus no impairment charge was required in the Company's 2013 consolidated financial statements.

During the period January to June 30, 2014, the Company acquired additional shares of TKA for an amount of $4,750,919 to raise its ownership to 27.2%. As explained below, during 2014 the Company obtained control and began consolidating Telekom Austria and accordingly de-recognized its equity method investment as of that date.

Other acquisitions 2012

iv) 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$50,000). DLA is a corporation involved in the development, integration and delivery of entertainment products made for digital distribution in Latin America.

v) Simple Mobile, Inc.

On June 19, 2012, Tracfone Wireless Inc (subsidiary) acquired 100% of the operations of Simple Mobile Inc. for approximately US$118,000 (Ps.1,651,700). Simple Mobile, Inc. is a mobile virtual network operator ("MVNOs") in the United States, with more than 2.5 million customer activations.

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

Acquisitions 2013

i) Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE")

On April 30, 2013 América Móvil entered into an agreement with Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE"), to acquire 100% shares of Corporación de Medios Integrales, S.A. de C.V. ("CMI") for an amount of Ps.1,668,000 (US$131,300). CMI holds the media and advertising business within the commercial segment at CIE. The goodwill is Ps.1,200,061.

ii) Shazam Entertainment Limited ("Shazam")

On July 8, 2013, América Móvil acquired 10.8% of shares representing the capital stock of Shazam Entertainment Limited ("Shazam"), and entered into a strategic agreement for a business development in the Americas. The amount paid was Ps.527,536.

Acquisitions 2014

i) Telekom Austria

On July 10, 2014, the Company through share acquisition and a Shareholders´ Agreement obtained control of the telecommunications company Telekom Austria, acquiring an additional 22.79% of the outstanding shares to reach share ownership of 50.81%. The main goal for the Company was the further development of Telekom Austria. This acquisition was valuated at its fair value at the purchase date. The total purchase price was Ps. 28,637,635. Acquisition costs were expensed by the Company as incurred and recorded as a part of "Other expenses" in the consolidated statement of comprehensive income for an immaterial amount. Telekom Austria was included in operating results from July 1, 2014.

As a result the Company derecognized the investment in the associate Telekom Austria upon consolidation. As part of the recognition of its previous equity investment in Telekom Austria, the Company recognized a loss of Ps.3,172,218 recognized in the "Valuation of derivatives, interest cost from" caption on the consolidated statement of comprehensive income.

The Company's purchase price was based upon a valuation and the Company's estimates and assumptions.

The Company's fair values of the net identifiable assets and liabilities as at the date of the transaction are as follows:

Cash and cash equivalents	Ps.	2,180,899
Trade receivables		12,023,422
Other current assets		4,745,510
Property and equipment		68,453,157
Licenses and rights of use		27,504,303
Trademarks		8,930,690
Customer relationships		14,184,227
Investments in shares		180,900
Deferred tax asset		2,146,300
Total assets acquired		140,349,408
Liabilities and account payable short-term		34,041,011
Liabilities and account payable long-term		18,560,409
Deferred tax liability		8,518,783
Long term debt		62,307,922
Total liabilities assumed		123,428,125
Total identified net assets at fair value	Ps.	16,921,283
Non-controlling interest measured at fair value (49.19% of net assets)		(39,239,141)
Goodwill arising on acquisition		50,955,493
Fair value of the investment in Telekom Austria at the acquisition date	**Ps.**	**28,637,635**
Consideration transferred:		
Fair value of the prior equity method investment	Ps.	15,381,507
Cash paid		13,256,128
Total consideration transferred	**Ps.**	**28,637,635**

Analysis of cash flows for acquisition:

		Cash-flow for acquisition
Cash paid	Ps.	(13,256,128)
Cash acquired with the subsidiary		2,180,899
Net cash flow on acquisition	**Ps.**	**(11,075,229)**

Goodwill at the date of the consolidation:

		Goodwill
Controlling interest	Ps.	25,890,485
Non-controlling interest		25,065,008
Total	**Ps.**	**50,955,493**

The fair value of the trade receivables which approximates its book value amounted to Ps.12,023,422. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the European segment. None of the goodwill recognized is expected to be deductible for income tax purposes.

During the period from July 1, 2014 through December 31, 2014, the Company acquired an additional 38.4 million shares of Telekom Austria, which equates to an additional shareholding of approximately 8.68%. The Company paid Ps. 4,796,332 for these shares, and now owns 59.70% of Telekom Austria as of December 31, 2014. This additional acquisition of shares was accounted as equity transactions as the Company has control over this subsidiary.

ii) Unaudited pro forma financial data

The following pro forma consolidated financial data for the years ended December 31, 2014, is based on the financial statements of the Company adjusted to give effect to (i) the acquisition of Telekom Austria and (ii) certain accounting adjustments of the assets and liabilities of the acquired company.

The pro forma results of operations assume that the acquisition was completed at the beginning of the acquisition year and are based on the information available and some assumptions that the management believes are reasonable. The pro forma financial data not intended to indicate what the operations of the Company had been if the operations were occur at that date, or predict the results of the operations of the Company.

		2014
Operating revenues	**Ps.**	**883,831,810**
Profit before income taxes		**85,047,796**
Net income		**45,713,130**

The pro-forma financial data does not reflect the other 2014 acquisitions discussed below as they were not material to the Company's financial position or results of operations.

iii) Acquisition of Page Plus

On January 16, 2014, Tracfone Wireless Inc. (subsidiary of the Company) acquired Start Wireless Group for the brand known as Page Plus. This business was acquired in order to expand the Company's distribution channels, add an incremental revenue stream, and assist in the growth of subscribers. The purchase price of the acquisition was Ps. 1,583,773 (US$120,000). The cash used in the acquisition was approximately Ps. 835,353 (US$63,900). The results of operations of Page Plus are included in the results of operations from January 16, 2014. The goodwill recorded as part of this acquisition is Ps.277,911.

iv) V-Sys

On April 9, 2014, Telmex acquired 100% of the shares of V-sys, company that offers value added services of unified companies and information technologies for an amount of Ps. 174,182. The goodwill recognized amounted to $83,559.

c) Consolidated subsidiaries with non-controlling interests

Financial information of subsidiaries that have material non-controlling interest are Telmex Internacional ("Telint"), Telefonos de México ("Telmex") and Telekom Austria. A Condensed consolidated statements of financial position and comprehensive income as of and for the years ended December 31, 2013 and 2014 for such subsidiaries are as follows:

Telmex Internacional, S.A. de C.V. and subsidiaries

Condensed Consolidated Statements of Financial Position

	December 31	
	2013	**2014**
Assets		
Current assets	Ps. 36,069,032	**Ps. 36,619,498**
Non-current assets	192,026,144	**204,068,059**
Total assets	Ps. 228,095,176	**Ps. 240,687,557**
Liabilities and equity		
Current liabilities	Ps. 64,350,774	**Ps. 51,183,403**
Long-term liabilities	52,009,944	**43,270,779**
Total liabilities	116,360,718	**94,454,182**
Equity attributable to equity holders of the parent	83,055,435	**84,549,914**
Non-controlling interest	28,679,023	**61,683,461**
Total equity	111,734,458	**146,233,375**
Total liabilities and equity	Ps. 228,095,176	**Ps. 240,687,557**

Condensed Consolidated Statements of Comprehensive Income

	December 31		
	2012	**2013**	**2014**
Operating revenues	Ps. 137,890,557	Ps. 134,468,355	**Ps. 142,470,334**
Operating costs and expenses	125,850,174	124,931,875	**135,143,945**
Operating income	12,040,383	9,536,480	**7,326,389**
Net income (loss)	2,645,378	1,228,339	**(4,290,666)**
Comprehensive income (loss)	Ps. (10,643,451)	Ps. (12,130,741)	**Ps. 5,278,560**
Net income attributable to:			
Equity holders of the parent	Ps. 2,551,586	Ps. 320,704	**Ps. (4,568,898)**
Non-controlling interest	93,792	907,635	**278,232**
	Ps. 2,645,378	Ps. 1,228,339	**Ps. (4,290,666)**
Comprehensive income (loss) attributable to:			
Equity holders of the parent	Ps. (8,762,527)	Ps. (8,926,543)	**Ps. (5,046,613)**
Non-controlling interest	Ps. (1,880,924)	Ps. (3,204,198)	**10,325,173**
	Ps. (10,643,451)	Ps. (12,130,741)	**Ps. 5,278,560**

Teléfonos de México, S.A.B. de C.V. and subsidiaries

Condensed Consolidated Statements of Financial Position

	December 31	
	2013	2014
Assets		
Current assets	Ps. 40,008,522	**Ps. 32,120,923**
Non-current assets	76,269,460	**81,608,709**
Total assets	Ps. 116,277,982	**Ps. 113,729,632**
Liabilities and equity		
Current liabilities	Ps. 31,275,189	**Ps. 33,556,079**
Long-term liabilities	78,747,388	**70,116,141**
Total liabilities	110,022,577	**103,672,220**
Equity holders of the parent	5,883,014	**9,690,878**
Non-controlling interest	372,391	**366,534**
Total equity	6,255,405	**10,057,412**
Total liabilities and equity	Ps. 116,277,982	**Ps. 113,729,632**

Condensed Consolidated Statements of Comprehensive Income

	December 31		
	2012	2013	2014
Operating revenues	Ps. 106,243,636	Ps. 105,593,250	**Ps. 106,952,546**
Operating costs and expenses	88,277,034	88,807,950	**89,304,079**
Operating income	17,966,602	16,785,300	**17,648,467**
Net income	10,752,125	7,692,975	**6,276,506**
Comprehensive income	Ps. 13,923,611	Ps. 917,884	**Ps. 3,365,518**
Net income attributable to:			
Equity holders of the parent	Ps. 10,760,827	Ps. 7,719,097	**Ps. 6,281,627**
Non-controlling interest	(8,702)	(26,122)	**(5,121)**
	Ps. 10,752,125	Ps. 7,692,975	**Ps. 6,276,506**
Comprehensive (loss) income attributable to:			
Equity holders of the parent	Ps. 13,933,138	Ps. 941,046	**Ps. 3,371,375**
Non-controlling interest	(9,527)	(23,162)	**(5,857)**
	Ps. 13,923,611	Ps. 917,884	**Ps. 3,365,518**

Telekom Austria

Condensed Consolidated Statements of Financial Position

		December 31, 2014
Assets		
Current assets	Ps.	35,584,231
Non-current assets		112,526,514
Total assets	Ps.	148,110,745
Liabilities and equity		
Current liabilities	Ps.	27,377,325
Long-term liabilities		81,209,684
Total liabilities		108,587,009
Equity holders of the parent		39,502,458
Non-controlling interest		21,278
Total equity		39,523,736
Total liabilities and equity	Ps.	148,110,745

Condensed Consolidated Statements of Comprehensive Income (loss)

		For the six months ended December 31, 2014
Operating revenues	Ps.	37,392,067
Operating costs and expenses		33,526,607
Operating income		3,865,460
Net income		2,358,676
Comprehensive loss	Ps.	1,747,203
Net income attributable to:		
Equity holders of the parent	Ps.	2,360,848
Non-controlling interest		(2,172)
	Ps.	2,358,676
Comprehensive (loss) income attributable to:		
Equity holders of the parent	Ps.	1,745,018
Non-controlling interest		2,185
	Ps.	1,747,203

13. Income Taxes

As explained previously in these consolidated financial statements, the Company is a Mexican corporation which has numerous consolidated subsidiaries operating throughout the world. Presented below is a discussion of income tax matters that relates to the Company's consolidated operations, its Mexican operations and significant foreign operations.

i) Consolidated income tax matters

The composition of income tax expense for the years ended December 31, 2012, 2013 and 2014 is as follows:

	2012	2013	2014
In Mexico:			
Current year income tax	Ps. 27,123,124	Ps. 20,396,868	**Ps. 26,891,333**
Deferred income tax	781,410	(5,936,699)	**304,232**
Effect of changes in tax rate	155,599	138,849	**—**
Foreign:			
Current year income tax	21,047,770	17,955,532	**18,212,915**
Deferred income tax	(3,124,451)	(2,161,819)	**(5,700,931)**
	Ps. 45,983,452	Ps. 30,392,731	**Ps. 39,707,549**

Deferred tax related to items recognized in OCI during the year:

	2012	2013	2014
Remeasurement of defined benefit plans	Ps. (76,078)	Ps. 73,620	**Ps. (1,650,959)**
Effect of financial instruments acquired for hedging purposes	(49,790)	(43,499)	**23,267**
Other		555,879	**278,776**
Deferred tax charged to OCI	Ps. (125,868)	Ps. 586,000	**Ps. (1,348,916)**

A reconciliation of the statutory income tax rate in Mexico to the consolidated effective income tax rate recognized by the Company is as follows:

	Year ended December 31, 2012	2013	2014
Statutory income tax rate in Mexico	30.0%	30.0%	**30.0%**
Impact of non-deductible and non-taxable items:			
Tax inflation effects	4.0%	5.7%	**6.0%**
Operations of foreign subsidiaries	(0.3%)	(0.7%)	**(0.9%)**
Tax loss on sale of financial asset restructuring	—	(8.3%)	**—**
Other	(3.9%)	(4.6%)	**0.7%**
Effective tax rate on Mexican operations	29.8%	22.1%	**35.8%**
Change in estimated realization of deferred tax assets in Brazil	(0.3%)	0.9%	**0.2%**
Use of tax credits in Brazil	(1.1%)	(0.3%)	**(0.1%)**
Equity interest in net loss of associated companies	—	—	**2.1%**
Loss on derecognition of equity method investment	—	—	**1.1%**
Loss on partial sale of investment in associated company	—	—	**1.9%**
Foreign subsidiaries – other items, net	5.0%	6.1%	**4.5%**
Effective tax rate	33.4%	28.8%	**45.5%**

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

	Consolidated statement of financial position		Consolidated statement of comprehensive income		
	2013	2014	2012	2013	2014
Provisions	Ps. 20,968,918	**Ps. 19,600,222**	Ps. (1,179,604)	Ps. 1,015,977	**Ps. (2,556,720)**
Deferred revenues	6,007,054	**7,153,093**	180,571	1,356,538	**1,146,039**
Tax losses carry forward	14,712,712	**16,242,979**	(1,982,931)	(3,840,565)	**1,378,615**
Property, plant and equipment	(21,646,503)	**(19,190,057)**	(728,966)	(1,545,322)	**2,805,277**
Inventories	4,048,858	**3,279,763**	(2,313,373)	1,310,739	**(769,095)**
Licenses and rights of use	(1,625,783)	**(5,062,334)**	518,663	914,062	**136,034**
Deferred effects of tax consolidation in Mexican subsidiaries	(4,164,356)	**(3,594,246)**	35,822	3,004,672	**570,110**
Employee benefits	17,606,276	**19,720,588**	(1,472,849)	2,596,157	**3,263,517**
Other	13,318,101	**10,880,733**	4,755,225	3,147,411	**(577,077)**
Net deferred tax assets/(liabilities)	Ps. 49,225,277	**Ps. 49,030,741**			
Deferred tax expense/(benefit) in net profit for the year			Ps. (2,187,442)	Ps. 7,959,669	**Ps. 5,396,700**

Reconciliation of deferred tax assets and liabilities, net:

	2012		2013		2014	
Opening balance as of January 1,	Ps.	40,061,740	Ps.	35,982,186	**Ps.**	**49,225,277**
Deferred tax benefit (expense) and effect of changes in tax rate recognized in profit or loss		(2,187,442)		7,959,690		**5,396,700**
Benefit for tax credits in Brazil						**1,138,742**
Deferred tax benefit (expense) recognized in OCI		(125,868)		586,000		**(1,348,915)**
Deferred taxes acquired in business combinations		(1,766,244)		4,697,421		**(5,381,063)**
Closing balance as of December 31,	Ps.	35,982,186	Ps.	49,225,277	**Ps.**	**49,030,741**
Presented in the consolidated statements of financial position as follows:						
Deferred income tax assets	Ps.	44,372,129	Ps.	50,853,686	**Ps.**	**66,500,539**
Deferred income tax liabilities		(8,389,943)		(1,628,409)		**(17,469,798)**
	Ps.	35,982,186	Ps.	49,225,277	**Ps.**	**49,030,741**

The deferred tax assets are in tax jurisdictions in which the Company considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate taxable income in subsequent periods.

The Company does not recognize a deferred tax liability related to the undistributed earnings of its subsidiaries, because it currently does not expect these earnings to be taxable or to be repatriated in the near future. The Company's policy has been to distribute the profits when it has paid the corresponding taxes in its home jurisdiction and the tax can be accredited in Mexico.

At December 31, 2013 and 2014, the balance of the contributed capital account ("CUCA") is Ps.417,052,837 and Ps.442,103,804, respectively. As of December 31, 2013, the balance of the consolidated CUFIN was Ps. 415,327,853. Due to the changes in the Mexican income tax law, beginning January 1, 2014, the CUFIN is computed on an America Móvil stand-alone basis. The balance of the America Movil stand-alone basis amounted to Ps.101,896,803 and Ps.100,511,666 as of December 31, 2013 and 2014, respectively.

ii) Mexican income tax matters

América Móvil, S.A.B. de C.V. was the controlling company in the tax consolidation in accordance with previously existing corporate and tax law through December 31, 2013. Through 2013, the Company determined its income tax for each year on a consolidated basis with its Mexican subsidiaries, which in simple terms consisted of including the taxable income or tax loss of each Mexican subsidiary in AMX's tax results, in proportion to a given percentage of América Móvil's equity interest in each subsidiary.

As a result of the 2014 Tax Reform, on December 11, 2013, new income tax law was passed and the Business Flat Tax was repealed.

Prior Tax Consolidation

In 2010, Mexico's tax consolidation regime was significantly amended to establish a maximum deferral period for current year income tax of five years while requiring previously applied tax consolidation benefits to be reversed (commonly referred to as "recaptured") and remitted to the tax authorities in installments over the sixth to tenth years subsequent to the year in which the benefits were taken.

Therefore, in 2010, the Company calculated the income tax it had deferred through 2004. From 2011 through 2013, it calculated its income tax corresponding to 2005 through 2007. Similarly, these taxes must be remitted in 5 annual installments.

Tax consolidation benefits resulted from:

i) Tax losses applied in the tax consolidation that would not have otherwise been carried forward individually by the entity that generated them; and

ii) Other items (apart from tax losses) that give rise to tax consolidation benefits, including losses on sales of shares not deducted individually by the entity that generated them; special consolidation items related to transactions carried out between consolidating entities; and dividends declared by consolidated subsidiaries as of 1999 that were not paid from the balance of their CUFIN or the Net reinvested taxed profits account ("CUFINRE").

The individual CUFIN and CUFINRE balances of the group's entities can result in taxable profits in conformity with the Mexican Income Tax Law ("MITL"). These amounts are referred to as "CUFIN differences." As a result of these changes, in 2014 América Móvil released provisions related to prior year tax losses used in tax consolidation and payment of differences on CUFINRE for an amount of Ps. 2,601,000, which represents a benefit in the effective tax rate calculation above.

The deconsolidation effects with respect to tax losses that were carried forward under the consolidation regime amounted to Ps.3,279,356, which is being paid by the Company in the amounts and terms set forth in the law.

Optional Regime

The new Income Tax Law establishes the optional regime for corporate groups to defer the remittance of the deferred income tax of the group's subsidiaries, under the terms and conditions established in Articles 59 to 71 of the MITL. In addition to the above, the Company meets the requirements for adopting this regime in conformity with Article 60 of the MITL and accordingly, the Company filed its notice of incorporation into the optional regime under the terms and conditions published by the tax authority on February 17, 2014. Also, in conformity with rule 1.3.22.8 of the Miscellaneous Tax Rules, the Company has declared its intention to take the option contained in such rule, which allows companies with unused tax losses at December 31, 2013 to carry forward these losses under the new regime.

Corporate tax rate

The income tax rate applicable in Mexico from 2012 through 2014 was 30%.

ii) Significant foreign income tax matters

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 2012, 2013 and 2014 are as follows:

	2012		2013		2014	
Combined income before taxes	Ps.	42,628,730	Ps.	29,270,337	**Ps.**	**13,256,266**
Combined tax provision differences not deductible-not cumulative in the Foreign Subsidiaries		17,923,319		15,793,713		**12,511,984**

iii) Tax losses

a) At December 31, 2014, the available tax loss carryforwards recorded in deferred tax assets are as follows on a country by country basis:

Country	**Balance of available tax loss carryforwards at December 31, 2014**		**Tax loss carryforward benefit**	
Brazil	**Ps.**	**49,384,971**	**Ps.**	**14,815,490**
Mexico		**3,807,039**		**1,142,112**
Peru		**445,750**		**133,725**
Austria		**505,507**		**151,652**
Total	**Ps.**	**54,143,267**	**Ps.**	**16,242,979**

b) The tax loss carryforwards in the different countries in which the Company operates have the following terms and characteristics:

b i) The Company has accumulated Ps.49,384,971 in net operating loss carry-forwards ("NOL's") in Brazil as of December 31, 2014. In Brazil there is no expiration of the NOL's. However, the NOL 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.

Deferred tax assets are recognized for tax losses 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, 2012, 2013 and 2014, attributable to the change in estimate over the recoverability of the tax loss carry forwards, was Ps.1,200,520, Ps.2,321,679 and Ps.10,505,928, respectively, and is shown as a credit in deferred income tax.

Through December 31, 2013, separate legal entities in Brazil did not file tax returns on a consolidated basis. On December 31, 2014 several of the Company's subsidiaries in Brazil were merged increasing the probability that the recorded NOL's will be ultimately recovered. The Company believes that it is more likely than not that it will recognize the benefit of its NOL's in future periods, primarily through continuing merged operations, tax planning strategies, and other sources of taxable income.

ii) In Chile, tax loss carryforwards have no expiration date and the corporate tax rate in is 17%. Consequently, at the time tax losses are realized, taxpayers obtain a benefit of only 17% of the amount of the loss generated.

iii) In Mexico the tax loss carryforwards expire in ten years on a stand-alone basis.

iv) In Austria, the loss carryforwards have no expiration, but its annual usage is limited to 75% of the taxable income of the year.

14. Debt

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

At December 31, 2013

Currency	Loan	Interest rate	Maturity from 2014 to		Total
U.S. dollars					
	ECA credits (fixed rate) (ii)	2.52%	2017	Ps.	973,269
	ECA credits (floating rate) (ii)	L+0.35%, L+0.50% and L+0.75%	2018		3,602,208
	Fixed-rate Senior notes (i)	2.375% - 8.57%	2042		197,427,022
	Floating rate Senior notes (i)	L+1.0%	2016		9,807,375
	Financial Leases (Note 20a)	3.75%	2015		217,525
	Lines of credit (iv)	7.25% - 7.75%	2023		2,183,776
	Subtotal U.S. dollars				214,211,175
Mexican pesos					
	Fixed-rate Senior notes (i)	6.45% - 9.00%	2037		61,732,805
	Floating rate Senior notes (i)	TIIE + 0.40% - 1.50%	2016		15,600,000
	Subtotal Mexican pesos				77,332,805
Euros					
	Fixed-rate Senior notes (i)	3.0% - 6.375%	2073		106,927,652
	Subtotal Euros				106,927,652

At December 31, 2013				
Currency	Loan	Interest rate	Maturity from 2014 to	Total
Sterling pounds				
	Fixed-rate Senior notes (i)	4.375% - 6.375%	2073	59,539,593
	Subtotal Sterling pounds			59,539,593
Swiss francs				
	Fixed-rate Senior notes (i)	1.125% - 2.25%	2018	15,377,226
	Subtotal Swiss francs			15,377,226
Reais				
	Lines of credit	3.0% and 4.50%	2018	2,842,941
	Subtotal Brazilian reais			2,842,941
Colombian pesos				
	Fixed-rate Senior notes (i)	7.59%	2016	3,053,941
	Subtotal Colombian pesos			3,053,941
Other currencies				
	Fixed-rate Senior notes (i)	1.23% - 3.96%	2039	10,493,312
	Financial Leases (Note 20a)	5.05% - 8.97%	2027	473,117
	Lines of credit (iv)	19.00%	2014	68,082
	Subtotal other currencies			11,034,511
	Total debt			490,319,844
	Less: Short-term debt and current portion of long -term debt			25,841,478
	Long-term debt			Ps. 464,478,366

At December 31, 2014				
Currency	**Loan**	**Interest rate**	**Maturity from 20 14 to**	**Total**
U.S. dollars				
	Fixed-rate Senior notes (i)	2.375% - 7.5%	2042	**Ps. 210,126,663**
	Floating rates Senior notes (i)	L+1.0%	2016	**11,038,500**
	Financial Leases (Note 20)	3.75%	2015	**106,862**
	Lines of credit (iii)	4.00% - 7.70% y L + 2.10%	2024	**14,600,011**
	Subtotal U.S. dollars			**235,872,036**
Mexican pesos				
	Fixed-rate Senior notes	6.00% - 9.00%	2037	**78,200,265**
	Floating rate Senior notes	TIIE + 0.40% - 1.25%	2016	**6,600,000**
	Lines of credit (iii)	TIIE + 0.05% - 1.00%	2015	**311,048**
	Subtotal Mexican pesos			**85,111,313**
Euros *				
	Fixed-rate Senior notes (ii)	1.00% - 6.375%	2073	**177,127,119**
	Lines of credit (iii)	3.10% - 5.41%	2019	**11,903,748**
	Subtotal Euros			**189,030,867**
Sterling Pounds				
	Fixed-rate Senior notes (ii)	4.375% - 6.375%	2073	**63,047,129**
	Subtotal Sterling pounds			**63,047,129**
Swiss francs				
	Fixed-rate Senior notes (ii)	1.125% - 2.25%	2018	**15,542,492**
	Subtotal Swiss francs			**15,542,492**
Reais				
	Lines of credit (iii)	3.0% - 6.00%	2019	**4,435,774**
	Subtotal Brazilian reais			**4,435,774**

At December 31, 2014				
Currency	**Loan**	**Interest rate**	**Maturity from 2014 to**	**Total**
Colombian pesos				
	Fixed-rate Senior notes (ii)	7.59%	2016	**2,768,322**
	Subtotal Colombian pesos			**2,768,322**
Other currencies				
	Fixed-rate Senior notes (ii)	1.23% - 3.96%	2039	**7,582,720**
	Financial Leases (Note 20a)	5.05% - 8.97%	2027	**364,334**
	Subtotal other currencies			**7,947,054**
	Total debt			**603,754,987**
	Less: Short-term debt and current portion of long - term debt			**57,805,517**
	Long-term debt			**Ps. 545,949,470**

* The primary reason for increase in Euro debt between 2013 and 2014 is related to the acquisition of Telekom Austria.

L = LIBOR o London Interbank Offer Rate

TIIE = Mexican weighted Interbank Interest Rate

ECA = Export Credit Agreement

Euribor = Euro Interbank Offered Rate

Except for the fixed-rate 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, 2013 and December 31, 2014 was approximately 4.8% and 4.7% respectively.

Such rates do 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 maturities as of December 31, 2013 and December 31, 2014, is as follows:

	2013	2014
Domestic Senior Notes (*Certificados Bursátiles*)	Ps. 9,000,000	**Ps. 4,600,000**
International Senior Notes	13,576,670	**35,315,148**
Lines of credit	617,295	**14,814,203**
Financial Leases		**106,862**
Subtotal short-term debt	Ps. 23,193,965	**Ps. 54,836,213**
Weighted average interest rate	5.0%	**4.0%**

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

Year	Amount
2016	**Ps. 72,938,922**
2017	**43,938,404**
2018	**25,946,615**
2019	**45,367,133**
2020 and thereafter	**357,758,396**
Total	**Ps. 545,949,470**

(i) Senior Notes

The outstanding Senior Notes at December 31, 2013 and December 31, 2014 are as follows:

	(Thousands of Mexican Pesos)	
Currency	**2013**	**2014**
U.S. dollars	Ps. 207,234,397	**Ps. 221,165,164**
Mexican pesos	77,332,805	**84,800,265**
Euros	106,927,652	**177,127,119**
Sterling pounds	59,539,593	**63,047,129**
Swiss francs	15,377,226	**15,542,492**
Japanese yens	3,104,287	**2,224,042**
Chinese yuans	2,159,870	**2,371,767**
Colombian pesos	3,053,941	**2,768,321**
Chilean pesos	5,229,155	**2,986,911**

During the second quarter of 2014, América Móvil issued notes for €600,000 (Ps. 10,706,000) due 2018 with a coupon of 1%. Likewise, the Company issued two new notes under the program of peso-denominated notes for Ps.10,000,000 due 2019 with a coupon of 6% and for Ps.7,500,000 due 2024 with a coupon of 7.125%. The notes are registered with both the U.S. Securities and Exchange Commission and the Mexican Banking and Securities Commission ("CNBV").

(ii) Domestic Senior Notes *(Certificados Bursátiles)*

At December 31, 2013 and December 31, 2014, debt under stock certificates aggregates to Ps.37,461,105 and Ps.27,428,565, respectively. In general these issues bear a fixed-rate or floating rate determined as a differential on the TIIE rate (a Mexican weighted interbank interest rate).

(iii) Lines of Credit

At December 31, 2013 and December 31, 2014, debt under Lines of Credit aggregates to Ps. 5,094,799 and Ps.30,077,192, respectively.

Likewise, the Company has two revolving syndicated facilities – one for US$ 2,500,000 and one for the Euro equivalent of US$ 2,000,000 currently outstanding The Euro equivalent revolving syndicated facility was amended in July 2013 to increase the amount available to US $2,100,000. Loans under the facility bear interest at variable rates based on LIBOR and EURIBOR. Telekom Austria has also an outstanding revolving syndicated facility for Euros 1,000,000 at a variable rate based on LIBOR and EURIBOR.

Restrictions (TELMEX):

A portion of the debt is also subject to early maturity or repurchase at the option of the holders in the event of a change in control of the Company, as so defined in each instrument. The definition of change in control varies from instrument to instrument; however, no change in control shall be considered to have occurred as long as Carso Global Telecom or its current shareholders continue to hold the majority of the Company's voting shares.

Covenants

In conformity with the credit agreements, the Company is obligated to comply with certain financial and operating commitments. Such covenants limit in certain cases, the ability of the Company or the guarantor to: pledge assets, carry out certain types of mergers, sell all or substantially all of its assets, and sell control over Telcel.

Such covenants do not restrict the ability of AMX's subsidiaries to pay dividends or other payment distributions to AMX. 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 do not exceed 4 to 1, and a consolidated ratio of EBITDA to interest paid that is not below 2.5 to 1 (in accordance with the clauses included in the credit agreements).

Several of the financing instruments of the Company are subject to early extinguishment or re-purchase, at the option of the debt holder in the case that a change in control occurs.

At December 31, 2013 and December 31, 2014, the Company complied with all the conditions established in its debt agreements.

At December 31, 2013 and 2014, approximately 48% and 49%, respectively, of America Movil's total outstanding consolidated debt is guaranteed by Telcel.

b) For the years ended December 31, 2012, 2013 and 2014, the interest income was Ps. 3,859,086, Ps. 2,925,834 and Ps. 7,052,271, respectively.

c) For the years ended December 31, 2012, 2013 and 2014, the interest expense was Ps.(22,267,771), Ps.(23,950,653) and Ps.(31,522,523), respectively.

d) For the years ended December 31, 2012, 2013 and 2014, Valuation of derivatives and other financial items was as follows:

		2012		2013		2014
Gain (loss) in valuation of derivatives	Ps.	(6,075,490)	Ps.	2,841,952	**Ps.**	**7,397,142**
Capitalized interest expense (Note 10 e)		3,152,811		3,002,576		**3,258,928**
Commissions on debt		(1,931,790)		(1,839,467)		**(1,612,395)**
Interest cost of labor obligations (Note 17)		(3,930,342)		(3,971,100)		**(4,785,121)**
Interest expense on taxes		(1,386,410)		(4,228,155)		**(2,115,730)**
Loss on partial sale of shares in associated company		(795,028)		(896,956)		**(5,554,612)**
Loss on derecognition of equity method investment (Note 12)		—		—		**(3,172,218)**
Other financial cost		(2,298,770)		(3,200,385)		**(3,606,255)**
	Ps.	(13,265,019)	Ps.	(8,291,535)	**Ps.**	**(10,190,261)**

15. Accounts Payable, Accrued Liabilities and Asset Retirement Obligations

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

	At December 31,			
		2013		2014
Suppliers	Ps.	98,763,285	**Ps.**	**118,723,997**
Sundry creditors		42,396,889		**57,932,101**
Interest payable		7,203,911		**9,418,164**
Guarantee deposits from clients		2,666,481		**1,974,323**
Dividends payable		3,106,746		**3,454,777**
Total	Ps.	154,137,312	**Ps.**	**191,503,362**

b) The balance of accrued liabilities at December 31, 2013 and 2014 are as follows:

	At December 31,			
		2013		2014
Direct employee benefits payable	Ps.	11,203,772	**Ps.**	**20,735,930**
Contingencies		25,755,150		**33,232,749**
	Ps.	36,958,922	**Ps.**	**53,968,679**

The movements in contingencies at December 31, 2013 and 2014 are as follows:

							Applications					
		Balance at December 31, 2012		Effect of translation		Increase of the year		Payments		Reversals		Balance at December 31, 2013
Contingencies	Ps.	24,201,239	Ps.	(2,902,833)	Ps.	12,419,163	Ps.	(7,907,863)	Ps.	(54,556)	Ps.	25,755,150

	Balance at December 31, 2013	Business combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2014
Contingencies	**Ps. 25,755,150**	**Ps.1,666,269**	**Ps.(240,406)**	**Ps.11,211,251**	**Ps.(4,740,828)**	**Ps. (418,687)**	**Ps.33,232,749**

Contingencies include tax, labor, regulatory and other legal type contingencies.

c) The composition of the other non-current liabilities at December 31, 2013 and 2014 is as follows:

	Balance at December 31, 2012	Business Combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2013
Asset retirement obligation	Ps. 7,177,215	Ps. —	Ps. (401,382)	Ps. 866,480	Ps. (103,984)	Ps. (21,869)	Ps. 7,516,460

	Balance at December 31, 2013	Business Combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2014
Asset retirement obligation .	**Ps. 7,516,460**	**Ps. 3,381,898**	**Ps. (5,349)**	**Ps. 2,779,076**	**Ps. (89,895)**	**Ps. (130,783)**	**Ps. 13,451,407**

The discount rates used for the asset retirement obligation are based on market rates that are expected to be undertaken by the dismantling or restoration of cell sites, and may include labor costs.

16. Deferred Revenues

An analysis of deferred revenues at December 31, 2012, 2013 and 2014 is as follows:

	At December 31, 2012	At December 31, 2013	At December 31, 2014
At January 1, ...	Ps. 29,424,475	Ps. 25,057,134	**Ps. 28,121,634**
Revenue deferred during the year	192,873,749	151,159,144	**219,043,115**
Recognized as revenues	(192,437,676)	(147,434,552)	**(218,622,000)**
Business combinations..	(3,099,829)	—	**3,116,395**
Effect of translation..	(1,703,585)	(660,092)	**1,135,848**
At December 31, ...	Ps. 25,057,134	Ps. 28,121,634	**Ps. 32,794,992**
Presented in the consolidated statements of financial position as follows:			
Current liabilities...		Ps. 27,016,340	**Ps. 31,464,235**
Non-current liabilities		1,105,294	**1,330,757**
		Ps. 28,121,634	**Ps. 32,794,992**

Deferred revenues consist of revenues obtained for services that will be provided to customers within a certain period. Deferred revenues are recognized in the consolidated statements of comprehensive income when they are earned, including points programs.

17. Employee Benefits

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

	At December 31,	
	2013	2014
Liability:		
Mexico	Ps. 49,270,144	**Ps. 49,935,630**
Puerto Rico	13,448,765	**16,024,080**
Brazil	3,796,998	**4,781,286**
Europe	—	**15,738,304**
Ecuador	91,967	**125,265**
Total	Ps. 66,607,874	**Ps. 86,604,565**

Net period cost (benefit):

	For the years ended December 31,		
	2012	2013	2014
Mexico	Ps. 8,656,797	Ps. 7,602,818	**Ps. 8,755,823**
Puerto Rico	1,097,942	(713,271)	**(1,631,225)**
Brazil	384,331	384,642	**436,753**
Europe	—	—	**267,604**
Ecuador	2,602	18,650	**26,759**
Total	Ps. 10,141,672	Ps. 7,292,839	**Ps. 7,855,714**

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

There is a pension investment fund committee whose responsibility is to verify that the funds are invested in the appropriate instruments as approved by the committee. No employee has either the authority to invest non change the use of funds without approval of the committee.

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, 2012, 2013 and 2014:

	At December 31,					
	2012		2013		**2014**	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits	**Pensions and sum of benefits**	**Post-retirement benefits**
Projected benefit obligation:						
Projected benefit obligation at beginning of year ..	Ps. 24,482,597	Ps. 9,633,990	Ps. 23,861,498	Ps. 8,958,942	**Ps. 21,641,938**	**Ps. 5,661,898**
Current service cost....	196,551	84,986	190,067	77,513	**127,178**	**40,903**
Interest cost on projected benefit obligation	989,029	374,837	917,047	334,038	**1,132,499**	**235,759**
Actuarial (gain) loss...	1,368,663	516,233	(1,874,057)	(1,657,720)	**3,255,940**	**773,342**
Other amendments to plans	(41,778)			(1,755,273)		**(2,530,502)**
Employee contributions..........		124,178		153,355		**191,434**
Benefits paid	(1,418,080)	(457,160)	(1,574,400)	(494,681)	**(1,774,630)**	**(470,202)**
Effect of translation....	(1,715,484)	(1,318,122)	121,783	45,724	**2,716,725**	**710,741**
Projected benefit obligation at end of year	Ps. 23,861,498	Ps. 8,958,942	Ps. 21,641,938	Ps. 5,661,898	**Ps. 27,099,650**	**Ps. 4,613,373**
Changes in plan assets:						
Established fund at beginning of year ..	Ps. 13,925,231		Ps. 13,989,605		**Ps. 13,855,071**	
Expected return on plan assets	578,265		547,276		**738,616**	
Actuarial gain (loss) on plan assets in OCI.......................	622,294		(479,371)		**(279,335)**	
Contributions	1,320,525	Ps. 457,160	1,371,174	Ps. 494,681	**1,511,541**	**Ps. 470,202**
Benefits paid	(1,408,394)	(457,160)	(1,574,400)	(494,681)	**(1,774,630)**	**(470,202)**
Actuarial loss	(72,583)		(70,613)		**(101,554)**	
Effect of translation....	(975,733)		71,400		**1,739,234**	
Established fund at end of year............	13,989,605		13,855,071		**15,688,943**	
Plan asset shortfall	Ps. 9,871,893	Ps. 8,958,942	Ps. 7,786,867	Ps. 5,661,898	**Ps. 11,410,707**	**Ps. 4,613,373**

During 2014, the Company announced to its plan participants that a decrease in the employer portion cost related to the medical insured premiums would take effect, effective September 1, 2014. This change resulted in a decrease in the accumulated post-retirement benefit obligation of approximately Ps. 2,178,264.

The actual return on plan assets for the years ended December 31, 2012, 2013 and 2014 amounted to Ps. 1,200,559, Ps.67,905 and Ps.459,281 corresponding to the expected return and the actuarial variation, respectively.

	December 31,					
	2012		2013		2014	
	Pensions and sum of benefits	**Post-retirement benefits**	Pensions and sum of benefits	**Post-retirement benefits**	**Pensions and sum of benefits**	**Post-retirement benefits**
Changes in other comprehensive income:						
Balance at the beginning of the year	Ps. (4,048,934)	Ps. (1,912,387)	Ps. (4,511,596)	Ps. (2,294,620)	**Ps.(3,139,936)**	**Ps. (648,612)**
Actuarial gain on expected return on plan assets	622,294		(479,371)		(279,335)	
Actuarial loss for changes in demographic assumptions			(106,293)	(22,348)	(780,167)	**(165,224)**
Actuarial gain for changes in financial assumptions			2,065,437	533,867	**(2,305,012)**	**(612,840)**
Actuarial (loss) gain for changes in assumptions	(1,368,663)	(516,233)	(85,087)	1,146,201	**(170,761)**	**4,722**
Effect of translation	283,707	134,000	(23,026)	(11,712)	**(394,158)**	**(81,420)**
Balance at the end of the year	Ps. (4,511,596)	Ps. (2,294,620)	Ps. (3,139,936)	Ps. (648,612)	**Ps.(7,069,369)**	**Ps. (1,503,374)**

Below is a quantitative sensitivity analysis of the effect on comprehensive income for the significant assumptions as of December 31, 2014, as follows:

	Pensions and sum of benefits	**Post-retirement benefits**
Discount rate – 100 basis points	**Ps. (3,378,948)**	**Ps. (684,903)**
Discount rate + 100 basis points	**Ps. 2,785,333**	**Ps. 550,670**

* Discount rate as of December 31, 2014 was %

	Post-retirement benefits
Applicable rates to health services – 100 basis points	**Ps. 229,440**
Initial assumption	**4.70%**
Final assumption	**3.50%**
Applicable rates to health services + 100 basis points	**Ps. (289,754)**
Initial assumption	**6.70%**
Final assumption	**5.50%**

Net period cost

An analysis of the net period cost for the years ended December 31, 2012, 2013 and 2014 is as follows:

	2012		2013		2014	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits	**Pensions and sum of benefits**	**Post-retirement benefits**
Current service cost.............	Ps. 196,551	Ps. 84,986	Ps. 190,067	**Ps. 77,513**	**Ps. 127,178**	**Ps. 40,903**
Interest cost on projected benefit obligation	989,029	374,837	917,047	**334,038**	**1,132,499**	**235,759**
Expected return on plan assets	(578,265)		(547,276)		**(738,616)**	
Past service costs and other..	30,804		70,613	**(1,755,273)**	**101,554**	**(2,530,502)**
	Ps. 638,119	Ps. 459,823	Ps. 630,451	**Ps. (1,343,722)**	**Ps. 622,615**	**Ps. (2,253,840)**

Actuarial assumptions

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

	2012	2013	2014
Financial:			
Discount rate and long-term rate return...	4.50%	3.95%	**4.80%**
Rate of future salary increases...	4.00%	4.00%	**4.00%**
Biometric:			
Mortality: 2014 Table PPA for cases Plan B "Salaried", "Hourly" and "Lump Sum" was used.			

The assumptions used in determining the net period cost for 2012, 2013 and 2014 were as follows:

	2012	2013	2014
Percentage of increase in health care costs for the coming year..............	6.50%	5.90%	**5.80%**
Cost percentage due to death	4.50%	4.50%	**4.50%**
Year to which this level will be maintained..	2021	2027	**2027**

The assumptions used to determine the net period cost of post-retirement obligations are as follows:

	2012	2013	2014
Percentage of increase in health care costs for the following year	5.90%	5.80%	**5.70%**
Cost percentage due to death	4.50%	4.50%	**4.50%**
Year to which this level will be maintained..	2027	2027	**2027**

Plan assets

The percentages invested in plan assets are as follows:

	At December 31, 2013	At December 31, 2014
Equity instruments	30.00%	**35.00%**
Debt instruments	68.00%	**64.00%**
Cash and cash equivalents	2.00%	**1.00%**
	100.00%	**100.00%**

c) Claro Brasil

Claro Brasil has a defined benefit pension plan ("DBP") and a defined contribution plan ("DCP") that covers certain employees, as well as a medical assistance plan ("MAP") granted to participants in the DBP. The liabilities recognized at December 31, 2013 and 2014 under such plans are as follows:

	At December 31, 2013		At December 31, 2014	
DBP and MAP	Ps.	3,583,228	**Ps.**	**4,565,475**
DCP		213,770		**215,811**
Total liabilities, net	Ps.	3,796,998	**Ps.**	**4,781,286**

Pension plan

An analysis of obligations under the DBP and MAP at December 31, 2013 and 2014, as well as the changes in such plans during the years ended December 31, 2012, 2013 and 2014, is as follows:

	At December 31, 2012		2013		2014	
Projected benefit obligation at beginning of year	Ps.	14,998,684	Ps.	16,830,965	**Ps.**	**11,940,833**
Current service cost		(70)		(89)		**(56)**
Interest cost on projected benefit obligation		1,367,191		1,307,437		**1,311,426**
Actuarial (loss) gain		3,795,632		(3,053,755)		**1,606,357**
Employee contributions		267		173		**188**
Payments from trust fund		(1,135,167)		(1,069,860)		**(1,078,427)**
Effect of translation		(2,195,572)		(2,074,038)		**(87,800)**
Projected benefit obligation at end of year	Ps.	16,830,965	Ps.	11,940,833	**Ps.**	**13,692,521**

	At December 31,		
	2012	2013	2014
Changes in plan assets:			
Established fund at beginning of year	Ps. 16,827,353	Ps. 15,384,266	**Ps. 14,772,250**
Expected return on plan assets	1,549,809	1,181,149	**1,647,371**
Actuarial gain (loss) on plan assets in other comprehensive income	413,465	970,432	**(50,656)**
Employee contributions	192,067	202,027	**202,201**
Payments from trust fund	(1,135,167)	(1,069,860)	**(1,078,427)**
Effect of translation	(2,463,261)	(1,895,764)	**(108,619)**
Fair value of fund at end of year	Ps. 15,384,266	Ps. 14,772,250	**Ps. 15,384,120**
Plan asset surplus (short-fall)	Ps. 1,446,699	Ps. (2,831,417)	**(1,691,599)**
Effect of asset celling	3,246,770	6,414,645	**6,257,074**
Net liabilities	Ps. 4,693,469	Ps. 3,583,228	**Ps. 4,565,475**

The actual return on plan assets for the years ended December 31, 2012, 2013 and 2014 amounted to Ps. 1,963,274, Ps.2,151,581 and Ps.1,596,715, corresponding to the expected return and the actuarial variation, respectively.

	2012	2013	2014
Changes in other comprehensive income:			
Balance at the beginning of the year	Ps. (5,261,578)	Ps. (5,423,234)	Ps. (4,042,513)
Changes in the asset ceiling during the period	2,450,298	(3,311,757)	844,575
Actuarial gain on expected return on plan assets	413,465	970,432	(50,656)
Actuarial loss for changes in experience	(580,103)	(131,636)	(732,009)
Actuarial (loss) gain for changes in financial Assumptions	(3,215,529)	3,185,391	(874,348)
Effect of translation	770,213	668,291	29,725
Balance at the end of the year	Ps. (5,423,234)	Ps . (4,042,513)	**Ps. (4,825,226)**

Below is a quantitative sensitivity analysis of the significant assumptions as of December 31, 2014, and its impact in the PBD and PAM:

PBD and PAM obligation at present value:

Discount rate + 100 basis points	**Ps. 12,601,985**
Discount rate - 100 basis points	**Ps. 14,962,471**
Inflation rate for health services +100 basis points	**Ps. 5,100,397**
Inflation rate for health services -100 basis points	**Ps. 4,150,360**

Net period cost (benefit)

An analysis of the net period cost (benefit) for the years ended December 31, 2012, 2013 and 2014 is as follows:

	2012	2013	2014
Current service cost	Ps. (70)	Ps. (89)	**Ps. (56)**
Interest cost on projected benefit obligation	1,367,191	1,307,437	**1,311,426**
Expected return on plan assets	(1,549,809)	(1,181,149)	**(1,647,371)**
Asset ceiling interest	568,732	256,210	**734,171**
	Ps. 386,044	Ps. 382,409	**Ps. 398,170**

Actuarial assumptions

The average rates used in determining the net period cost for 2012, 2013 and 2014 were as follows:

	2012	2013	2014
Financial:			
Rate of future salary increases	5.00%	4.75%	**5.40%**
Discount rate and long-term assets return rate	9.00%	11.53%	**12.09%**

Biometric

Mortality:	2000 Basic AT Table for gender.
Disability for assets:	UP 84 modified table for gender
Disability retirement:	58 CSO table
Rotation:	Probability of leaving the Company other than death, disability and retirement is zero retirement is zero

Plan assets

As of December 31, 2013 and 2014, the percentages invested in plan assets are as follows:

	At December 31,	
	2013	2014
Debt instruments	80.64%	**83.16%**
Equity instruments	12.71%	**10.54%**
Other investments	6.65%	**6.30%**
	100.00%	**100.00%**

DCP

Claro Brasil makes contributions to the DCP through Claro Brasil 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 8% of their salaries). Claro Brasil 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 Claro Brasil's obligation for those participants that migrated from the DBP to the DCP. This liability is being paid 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, 2014, the balance of the DCP liability was Ps.215,811 (Ps.213,770, at December 31, 2013).

As of December 31, 2012, 2013 and 2014, the cost of labor were Ps.(1,713), Ps.2,233 and Ps. 38,583, respectively.

d) Mexico *(Teléfonos de México)*

Pensions and seniority premiums

Telmex has an employee pension and seniority premium plan that covers most of its employees. Pensions and seniority premiums are determined based on the salary of employees 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 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:

	At December 31,		
	2012	2013	2014
Projected defined benefit obligation:			
Projected defined benefit obligation at beginning of year	Ps. 234,225,230	Ps. 239,189,216	**Ps. 250,944,184**
Current service cost	5,050,926	4,538,825	**4,376,926**
Interest cost on projected benefit obligation	20,497,290	20,978,048	**22,273,034**
Actuarial (gain) loss	(6,252,256)	2,967,200	**808,732**
Payments to employees	(11,419,974)	(11,034,105)	**(12,540,172)**
Payments from trust fund	(2,912,000)	(5,695,000)	**(5,200,000)**
Defined benefit obligation at end of year	Ps. 239,189,216	Ps. 250,944,184	**Ps. 260,662,704**

	At December 31,		
	2012	2013	2014
Changes in plan assets:			
Established fund at beginning of year	Ps. 184,546,619	Ps. 196,734,883	**Ps. 201,765,850**
Expected return on plan assets	16,978,289	18,099,609	**18,467,870**
Actuarial loss on expected return on plan assets in other comprehensive income	(1,878,025)	(7,373,642)	**(3,746,454)**
Payments from trust fund	(2,912,000)	(5,695,000)	**(5,200,000)**
Established fund at end of year	Ps. 196,734,883	Ps. 201,765,850	**Ps. 211,287,266**
Liability	Ps. 42,454,333	Ps. 49,178,334	**Ps. 49,375,438**

The actual return on plan assets for the years ended December 31, 2012, 2013 and 2014, amounted to Ps. 15,100,264, Ps.10,725,967 and Ps.14,721,416, corresponding to the expected return and the actuarial variation, respectively.

	2012	2013	2014
Changes in other comprehensive income:			
Balance at the beginning of the year	Ps. (69,596,308)	Ps. (65,222,077)	**Ps. (75,562,919)**
Actuarial gain on expected return on plan assets	(1,878,025)	(7,373,642)	**(3,746,454)**
Actuarial effect of changes in assumptions	6,252,256	(2,967,200)	**(808,732)**
Balance at the end of the year	Ps. (65,222,077)	Ps. (75,562,919)	**Ps. (80,118,105)**

In 2013, the net actuarial loss of Ps.10,340,842 is mainly comprised of an actuarial loss of Ps.7,373,642 due to the low performance of the plan assets, to the reduction in the value of the shares of the companies where the funds are managed, and in the value of the fixed yield instruments due to variances in the reference rates, and an actuarial loss of Ps.2,967,200 due to the fact that the number of retired employees differed from the estimated number at the beginning of the year, and due to the fact that the salary increases and the pensions of retired personnel were higher than those estimated at the beginning of the year.

In 2014, the net actuarial loss of Ps.4,555,186 is mainly comprised of an actuarial loss of Ps.3,746,454 due to the low performance of the plan assets, to the reduction in the value of the shares of the companies where the funds are managed, and in the value of the fixed yield instruments due to variances in the reference rates, and an actuarial loss of Ps.808,732 due to the fact that the number of retired employees differed from the estimated number at the beginning of the year, and due to the fact that the salary increases and the pensions of retired personnel were higher than those estimated at the beginning of the year.

Net period cost	For the years ended		
	2012	2013	2014
Current service cost	Ps. 5,050,926	Ps. 4,538,825	**Ps. 4,376,926**
Interest cost on projected benefit Obligation	20,497,290	20,978,048	**22,273,034**
Expected return on plan assets	(16,978,289)	(18,099,609)	**(18,467,870)**
Net period cost	Ps. 8,569,927	Ps. 7,417,264	**Ps. 8,182,090**

The nominal discount rate of labor obligations used in the actuarial studies was 9.2% for all years presented. Salary increases were also estimated at 4.5% during each year. Mortality was estimated at 1.94% for both men and woman.

Below is a quantitative sensitivity analysis of the main assumptions as of December 31, 2014, and its impact in the net defined benefit obligations:

Discount rate - 100 basis points	**Ps.286,691,852**
Discount rate + 100 basis points	**Ps.235,747,974**

Plan assets

The percentages invested in plan assets at December 31, 2013 and 2014 are as follows:

	2013	2014
Debt instruments	46.90%	**44.20%**
Equity instruments	53.10%	**55.80%**
	100.00%	**100.00%**

As of December 31, 2014, the fair value of Telmex's debt securities held by the plan assets was Ps.153,210 (Ps.611,672 at December 31, 2013). Also, the plan assets of Telmex include 29.6% and 30.7% of securities of the Company and other related parties at December 31, 2014 and 2013, respectively. The purchases and sales of these securities made by the plan were at market value.

In the case of Telcel and other Mexican subsidiaries, the net period cost of other benefits for the years ended December 31, 2012, 2013 and 2014 was Ps.86,870, Ps.185,554 and Ps. 573,733, respectively. The balance of employee benefits of December 31, 2013 and 2014 was Ps.91,810 and Ps. 560,192, respectively.

e) Europe

The liabilities recognized at December 31, 2014 are as follows:

	At December 31, 2014
Long-term direct employee benefits	**Ps.12,160,824**
Service awards	**1,280,115**
Severance	**2,164,997**
Pensions	**121,293**
Other	**11,075**
Total liabilities	**Ps.15,738,304**

Long-term direct employee benefits

	Balance at December 31, 2013	Business Combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2014
Long-term direct employee benefits	**Ps.**	**Ps.11,802,035**	**Ps. 68,354**	**Ps.1,994,823**	**Ps. (773,050)**	**Ps. (931,338)**	**Ps. 12,160,824**

In 2008, a comprehensive restructuring program was initiated in Austria. The provision for restructuring includes future compensation for employees, who will no longer provide services for Telekom Austria but who cannot be laid off due to their status as civil servants. These employee contracts are onerous contracts under IAS 37, as the unavoidable cost related to the contractual obligation exceeds the future economic benefit. The restructuring program also includes social plans for employees whose employments will be terminated in a socially responsible way.

Furthermore, restructuring includes agreements from previous years concluded with the Austrian government relating to the voluntary transfer of civil servants with tenure, whose positions are eliminated due to technological progress, to employment with the government. Civil servants of the segment of Austria can voluntarily transfer to administrative employment with the government. After a period of six to twelve months of public service and subjects to a positive performance evaluation, the civil servants have the option to apply for a permanent transfer, in which case the right to return to Telekom Austria is forfeited. Telekom Austria bears the salary expense for these civil servants up to June 30, 2016. The civil servants are compensated for any shortfall in salary or pension payments.

Actuarial assumptions

The actuarial assumptions used to measure the obligations for service awards, severance payments and pensions are as follows:

Discount rate	
Rate of compensation increase-civil servants	2.0%
Rate of compensation increase-civil servants	5.5%
Rate of compensation increase-civil servants	3.1%
Rate of increase of pensions	4.5%
Employee turnover rate*	1.6%
Depending on years of service	0.0%-2.01%

Life expectancy in Austria is based on "AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler".

Service awards

Civil servants and certain employees (together "employees") are eligible to receive service awards. Under these plans, eligible employees receive a cash bonus of two months' salary after 25 years of service and four months' salary after 40 years of service. Employees with at least 35 years of service when retiring (at the age of 65) or who are retiring based on a specific legal regulation are eligible to receive four monthly salaries. The compensation is accrued as earned over the period of service, taking into account the employee turnover rate.

The following table provides the components and a reconciliation of the changes in the provisions for service awards:

		At December 31, 2014 (1)
Balance at December 31, 2013	**Ps.**	**1,258,018**
Current service cost		**41,452**
Interest cost on projected benefit obligation		**42,360**
Actuarial gain/loss based on experience adjustment		**11,307**
Actuarial gain/loss from changes in demographic Assumptions		**(89)**
Actuarial gain/loss from changes in financial Assumptions		**132,529**
Net periodic cost	**Ps.**	**227,559**
Benefits paid		**(105,767)**
Foreign currency adjustments		**(18)**
Other		**(105,785)**
Balance at the end of the year	**Ps.**	**1,379,792**
Less short-term portion		**(99,677)**
Non-current obligation	**Ps.**	**1,280,115**

(1) While the Company consolidated Telekom Austria beginning on July 1, 2014 this roll forward has been prepared for a 12 months period consistent with Telekom Austria's published results.

Of the defined benefit obligations for service awards, less than 1% relate to other subsidiaries different to Austria as of 31 December 2013.

As of December 31, 2014, the weighted average duration of the obligation for service awards amounted to 7.3 years.

Severance

Employees starting to work for Telekom Austria in Austria on or after January 1, 2003 are covered by a defined contribution plan. Telekom Austria paid Ps.34,142 (1.53% of the salary) into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG) in 2014.

Severance benefit obligations for employees hired before January 1, 2003 are covered by defined benefit plans. Upon termination by Telekom Austria or retirement, eligible employees receive severance payments equal to a multiple of their monthly compensation which comprises fixed compensation plus variable elements such as overtime or bonuses. Maximum severance is equal to a multiple of twelve times the eligible monthly compensation. Up to three months of benefits are paid upon termination, with any benefit in excess of that amount being paid in monthly instalments over a period not exceeding ten months. In case of death, the heirs of eligible employees receive 50% of the severance benefits.

The following table provides a detailed reconciliation of the changes in severance benefit obligations:

Balance at December 31, 2013[1]	**Ps.**	**1,676,776**
Current service cost		**86,607**
Interest cost on projected benefit obligation		**57,691**
Net periodic cost	**Ps.**	**144,298**
Actuarial gain/loss based on experience adjustment		**2,297**
Actuarial gain/loss from changes in demographic Assumptions		**(32,175)**
Actuarial gain/loss from changes in financial Assumptions		**475,202**
Recognized in Other comprehensive income	**Ps.**	**445,324**
Benefits paid		**(74,339)**
Foreign currency adjustments		**(300)**
Other		**(74,639)**
Balance at December 31, 2014	**Ps.**	**2,191,759**
Less short-term portion		**(26,762)**
Non-current obligation	**Ps.**	**2,164,997**

(1) While the Company consolidated Telekom Austria beginning on July 1, 2014 this roll forward has been prepared for a 12 months period consistent with Telekom Austria's published results.

Approximately 3% of the defined benefit obligations for severance relate to foreign subsidiaries as of December 31, 2014.

As of December 31, 2014, the weighted average duration of the severance benefit obligations was 16.7.

Pensions

Defined contribution pension plans

In Austria, pension benefits generally are provided by the social security system for employees and by the government for civil servants. Telekom Austria is required to assist in funding the Austrian government's pension and health care obligations to Telekom Austria current and former civil servants and their surviving dependents. In 2014, the rate of contribution for active civil servants amounted to a maximum of 28.3% depending on the age of the civil servant. 15.75% are borne by Telekom Austria and the remaining portion is contributed by the civil servants. Contributions to the government, net of the share contributed by civil servants, amounted to Ps. 375,831 for the period from July 1 to December 31, 2014.

Additionally, Telekom Austria sponsors a defined contribution plan for employees of some of its Austrian subsidiaries. Telekom Austria contributions to this plan are based on a percentage of the compensation not exceeding 5%. The annual expenses for this plan amounted to Ps.115,442 for the period from July 1 to December 31, 2014.

Defined benefit pension plans

Telekom Austria provides defined benefits for certain former employees in Austria. All such employees are retired and were employed prior to January 1, 1975. This unfunded plan provides benefits based on a percentage of salary and years employed, not exceeding 80% of the salary before retirement, and taking into consideration the pension provided by the social security system.

f) In the case of Ecuador, the net period cost of other benefits for the years ended December 31, 2012, 2013 and 2014 was Ps. 2,602, Ps.18,650 and Ps.26,759, respectively. The balance of employee benefits at December 31, 2013 and 2014 was Ps.91,967 and Ps.125,265, respectively.

g) 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.

18. Shareholders' Equity

Shares

a) At December 31, 2014 and 2013, the Company's capital stock was represented by 68,150,000,000 (23,384,632,660 Series "AA" shares, 648,994,284 Series A shares and 44,116,373,056 Series "L" shares) and 70,475,000,000 shares (23,424,632,660 Series "AA" shares, 680,805,804 Series A shares and 46,369,561,536 Series L), 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. Indeval Institución para el Deposito 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, 2014 and 2013, the Company's treasury shares available for placement in accordance with the provisions of the Mexican Securities Law, were represented by 27,339,724,196 shares (27,338,625,508 Series "L" shares and 1,098,688 Series A shares), 25,014,724,196 shares (25,007,472,235 Series "L" shares and 7,251,961 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 22, 2013, the Company's shareholders approved, among others resolution, the (i) payment of a cash dividend of $0.22 pesos per share to each of the shares of its capital stock series "AA", "A" and "L", payable in two equal installments of $0.11 pesos; and (ii) increase the amount of funds available for the acquisition of the Company's own shares by Ps.40 billion pursuant to Article 56 of the Mexican Securities Market Law.

g) On April 28, 2014, the Company's shareholders approved, among others resolution, the i) payment of a cash dividend of $0.24 pesos per share to each of the shares of its capital stock series "AA", "A" and "L", payable in two equal installments of $0.12 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

Retained earnings and other reserves distributed as dividends and the effects derived from capital reductions, are subject to income tax at the rate at the date of distribution, except for the restated stockholder contributions or distributions made come from the net taxed profit account (Cuenta de Utilidad Fiscal Neta or CUFIN).

The dividends paid in excess of the account are subject to income tax on a grossed-current base rate. Since 2003, this tax may be credited against income tax for the year in which the dividends are paid and the following two years against the income tax and estimated payments. The payment of dividends described above comes from the balance of the Company's CUFIN.

Legal Reserve

According to the Mexican General Mercantile Corporation Law, companies must appropriate from the net profit of each year, at least 5% to increase the legal reserve until it reaches 20% of capital stock at par value. This reserve may not be distributed to stockholders during the existence of the Company. At December 31, 2013 and 2014, the legal reserve amounted to Ps.358,440.

Restrictions on Certain Transactions

The Company's bylaws provide that any transfer of more than 10% of the combined A Shares and AA Shares, effected in one or more transactions by any person or group of persons acting in concert, requires prior approval by our Board of Directors. If the Board of Directors denies such approval, however, Mexican law and the Company bylaws require it to designate an alternate transferee, who must pay market price for the shares as quoted on the Mexican Stock Exchange.

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to the L Shares, A Shares, L Share ADSs or A Share ADSs will generally be subject to a 10% Mexican withholding tax (provided that no Mexican withholding tax will apply to distributions of net taxable profits generated before 2014). Nonresident holders could be subject to a lower tax rate, to the extent that they eligible for benefits under an income tax treaty to which Mexico is a party.

h) Earnings per Share

The following table shows the computation of the basic and diluted earnings per share:

	For the years ended December 31,		
	2012	2013	2014
Net profit for the period attributable to equity holders of the parent	Ps. 90,988,570	Ps. 74,624,979	**Ps. 46,146,370**
Weighted average shares (in millions)	76,150	72,866	**69,254**
Earnings per share attributable to equity holders of the parent	Ps. 1.19	Ps. 1.02	**Ps. 0.66**

i) Undated Subordinated Fixed Rate Bond

In January 2013, Telekom Austria issued €600 million aggregate principal amount of its subordinated bonds. The interest rate on the bonds is 5.625% for the first five years and resets every five years beginning in 2018. The bonds have no specified maturity date but may be redeemed at the Company's option at par, in whole but not in part, on any interest reset date beginning in 2018. Under IFRS, the Company is required to classify the bonds as equity, because of their indefinite maturity. Consequently, the Company recognizes the bonds as non-controlling interests in its consolidated financial statements.

19. Other Financial Assets and Liabilities

Set out below is the categorization of the financial instruments, other those with carrying value amounts that are reasonable approximations of fair value, held by América Móvil as at December 31, 2013 and 2014:

	December 31, 2013					
	Loans and receivables		Fair value through profit or loss		Fair value through OCI	
Financial Assets:						
Accounts receivable from subscribers, distributors, and other, net	Ps.	96,756,472	Ps.	—	Ps.	
Related parties		1,346,392		—		
Derivative financial instruments				10,469,316		
Total	Ps.	98,102,864	Ps.	10,469,316	Ps.	—
Financial Liabilities:						
Debt	Ps.	490,319,844	Ps.		Ps.	
Accounts payable		154,137,312				
Related parties		2,552,337				
Derivative financial instruments				5,179,024		187,299
Total	Ps.	647,009,493	Ps.	5,179,024	Ps.	187,299

	December 31, 2014					
	Loans and Receivables		Fair value through profit or loss		Fair value through OCI	
Financial Assets:						
Accounts receivable from subscribers, distributors, and other, net	**Ps.**	**122,028,071**	**Ps.**		**Ps.**	**—**
Related parties		**1,320,107**				
Derivative financial instruments				**22,536,056**		
Total	**Ps.**	**123,348,178**	**Ps.**	**22,536,056**	**Ps.**	**—**
Financial Liabilities:						
Debt	**Ps.**	**603,754,987**	**Ps.**		**Ps.**	
Accounts payable		**191,503,362**				
Related parties		**3,087,292**				
Derivative financial instruments				**8,373,205**		**154,607**
Total	**Ps.**	**798,345,641**	**Ps.**	**8,373,205**	**Ps.**	**154,607**

Fair value hierarchy

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).

The fair value for the financial assets (other those with carrying value amounts that are reasonable approximations of fair value) and financial liabilities shown in the consolidated statement of financial position at December 31, 2013 and 2014 is as follows:

	Measurement of fair value at December 31, 2013							
	Level 1		Level 2		Level 3		Total	
Assets:								
Derivatives financial instruments	Ps.	—	Ps.	10,469,316	Ps.		Ps.	10,469,316
Pension plan assets		230,393,171						230,393,171
Total	Ps.	230,393,171	Ps.	10,469,316	Ps.		Ps.	240,862,487
Liabilities:								
Debt	Ps.	319,838,222	Ps.	200,011,820	Ps.		Ps.	519,850,042
Derivatives financial instruments				5,366,323				5,366,323
Total	Ps.	319,838,222	Ps.	205,378,143	Ps.		Ps.	525,216,365

	Measurement of fair value at December 31, 2014							
	Level 1		Level 2		Level 3		Total	
Assets:								
Derivatives financial instruments	**Ps.**		**Ps.**	**22,536,056**	**Ps.**		**Ps.**	**22,536,056**
Pension plan assets		**242,360,329**						**242,360,329**
Total	**Ps.**	**242,360,329**	**Ps.**	**22,536,056**	**Ps.**		**Ps.**	**264,896,385**
Liabilities:								
Debt	**Ps.**	**411,497,065**	**Ps.**	**229,028,589**	**Ps.**		**Ps.**	**640,525,654**
Derivatives financial instruments				**8,527,812**				**8,527,812**
Total	**Ps.**	**411,497,065**	**Ps.**	**237,556,401**	**Ps.**		**Ps.**	**649,053,466**

Fair value of derivatives financial instruments are valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies valuation techniques including forward pricing and swaps models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Fair value of debt Level 2 has been determined using a model based on present value calculation incorporating credit quality of AMX.

For the years ended December 31, 2012, 2013 and 2014, no transfers were made between Level 1 and Level 2 fair value measurement hierarchies.

20. Commitments and Contingencies

a) Leases

At December 31, 2013 and 2014, 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.

The Company has the following non-cancelable commitments under finance leases:

Year ended December 31,	2013	2014
2014	Ps. 278,957	**Ps. —**
2015	246,821	**266,026**
2016	140,425	**148,350**
2017	30,552	**31,319**
2018	30,552	**31,319**
2019	59,814	**31,319**
2020 and thereafter	—	**29,994**
Total	787,121	**538,327**
Less: amounts representing finance charges	(96,479)	**(67,132)**
Present value of net minimum lease payments	690,642	**471,195**
Less current portion	246,598	**244,239**
Long-term obligations	Ps. 444,044	**Ps. 226,956**

An analysis of non-cancellable operating leases in the next five years is as follows:

Year ended December 31,	
2015	**10,173,043**
2016	**8,709,551**
2017	**6,453,449**
2018	**6,100,856**
2019	**6,268,309**
2020 and thereafter	**14,254,912**
Total	**Ps. 51,960,120**

Rent expense for the years ended December 31, 2012, 2013 and 2014 was Ps.16,023,781, Ps.14,800,464 and Ps.18,925,361, respectively.

b) Commitments

At December 31, 2014, there were commitments in certain subsidiaries for the acquisition of equipment for incorporation into their 4G networks for an amount up to approximately US$1,113,540 (approximately Ps.16,771,745). The completion period of these projects depends upon the type of fixed assets under construction. In the case of telephone plants (switching transmission), it takes 6 months on average; for others, it may take more than 2 years.

These commitments will be paid as follows:

Less than 1 year	**Ps.**	**15,161,657**
1 to 3 years		**1,610,088**
Total	**Ps.**	**16,771,745**

As of December 31, 2014, the Company has outstanding purchase commitments with telephone manufacturers for cellular phones for resale for approximately Ps.9,478,000 (US$644,000), for delivery through May 2015.

In addition, the Company's subsidiary Tracfone has entered into long-term contracts with wireless carriers for the purchase of airtime minutes at current market prices. The purchase commitments are with four carriers, and at December 31, 2014, are as follows:

Less than 1 year	**Ps.**	**42,608,610**
1 to 3 years		**28,332,150**
Total	**Ps.**	**70,940,760**

c) Contingencies

Mexico

América Móvil

Tax Assessment

In December 2014, the Mexican Tax Administration Service (*Servicio de Administración Tributaria* or "SAT"), notified the Company, of an assessment of Ps.529.7 million related to its tax return for the fiscal year ended December 31, 2005 and reduced the consolidated tax loss from Ps.8,556 million to zero. This matter is related to the fine imposed to its subsidiary, Sercotel, S.A. de C.V. ("Sercotel"), in the amount of Ps.1,400 million which is mentioned below. The Company 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.

Preponderant Economic Agent Determination

In March 2014, each of the Company, Radiomovil Dipsa, S.A. de C.V. ("Telcel"), and Teléfonos de México, S.A.B. de C.V. ("Telmex"), filed injunctions (*juicios de amparo*) against the resolution issued by the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones* or "IFT"), through which said institute determined as "preponderant economic agent" (*agente económico preponderante*) in the telecommunications market in Mexico an alleged economic interest group comprised by the Company, Telmex, Telcel, Grupo Carso, S.A.B. de C.V., and Grupo Financiero Inbursa, S.A.B. de C.V., imposing certain specific asymmetrical regulations. Resolution of such injunctions is pending. Enforceability of the IFT resolution may not be suspended.

Telcel

COFECO—Monopolistic practices investigations

Telcel, is the target of two investigations into alleged monopolistic practices originally commenced by the Federal Antitrust Commission (*Comisión Federal de Competencia*, or "COFECO"). One concerns 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.3.3 million and ordered that Telcel cease the alleged monopolistic practices immediately. Telcel has challenged COFECO's findings and fines in the courts. COFECO's findings and fines were upheld by the courts. In February, 2015, Telcel paid Ps.5.5 million, which included the amount of the fine, plus corresponding adjustments.

The second 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. In May 2011, Telcel filed an administrative motion for reconsideration *(recurso de reconsideración)* with COFECO and proposed a series of undertakings related to the alleged monopolistic practices. In May 2012, COFECO revoked the fine. As a condition to the revocation of the fine, Telcel agreed to comply with the undertakings that it proposed to COFECO. As a result of a constitutional amendment enacted in 2013, the IFT, is responsible for monitoring Telcel's compliance with respect to such undertakings. Six mobile operators challenged the revocation of the fine through an appeal for relief (*juicio de amparo*). Four of such proceedings have now been resolved on terms favorable to Telcel and the remaining two are pending. One of the operators whose appeal for relief (*juicio de amparo*) is pending, also filed a judicial proceeding claiming alleged damages arising from the revocation of the fine and the performance of the undertakings proposed by Telcel.

The IFT is empowered to oversee compliance by Telcel of the agreed upon undertakings. In the event the IFT considers Telcel has breached any such undertakings, the IFT may impose a fine of up to 8% of Telcel's annual revenues. Telcel believes it has complied with all of these undertakings and expects the IFT to confirm such compliance.

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 or "SCT"*), 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.

On March 18, 2015, a settlement agreement has been entered into with Axtel and Avantel. Pursuant to such settlement agreement, certain disputes regarding termination rates and related interconnection matters have been finally settled between Axtel, on the one hand, and Telcel, Teléfonos de México, S.A.B. de C.V. ("Telmex"), and Teléfonos del Noroeste, S.A. de C.V. ("Telnor"), on the other.

As part of the settlement agreement, Axtel and Telcel executed interconnection services agreements. With the execution of these agreements all disputes regarding mobile termination rates and related interconnection proceedings that started in 2005 have been finally settled between the parties. In addition, disputed and outstanding amounts related to mobile termination services for the period from 2005 to 2014 have been paid.

In consideration for the execution of the settlement agreement; the execution of interconnection services agreements with Telcel for the period from 2005 to 2015; the settlement and termination of certain existing disputes and claims with Telcel, Telmex and Telnor; and the assignment to América Móvil of certain litigation rights arising from administrative and judicial proceedings existing between the parties, América Móvil paid Axtel Ps.950 million.

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 2015. COFETEL determined rates for 2011. IFT determined rates for 2012, but has yet to determine mobile termination rates for 2013 in connection with the proceedings (*desacuerdos de interconexión*) in which Telcel is a party. In proceedings (*desacuerdos de interconexión*) in which other operators are parties thereof, the IFT has determined an applicable mobile termination of Ps.0.3144 for 2013.

On March 26, 2014, the IFT issued a resolution imposing on Telcel a specified asymmetric interconnection rate it must charge to all operators for traffic to Telcel's network for the period commencing on April 6 and ending on December 31, 2014. Telcel has filed an appeal for relief (*juicio de amparo*), against the IFT's resolution.

As a result of the entering into force of the Federal Law on Telecommunications and Broadcasting (*Ley Federal de Telecomunicaciones y Radiodifusión*), the preponderant economic agent in the telecommunication sector (comprised, among others, by the Company, Telcel and Telmex), is precluded from charging other operators for traffic terminating in its network, but is required to pay termination rates for the traffic originated on its network. Although Telcel has challenged such gratuitous asymmetric regime in courts, the enforceability of such regime is not subject of being suspended.

Telcel has begun proceedings in order to determine the mobile termination rates it must pay to other operators for the years 2015 and 2016. In accordance with applicable legislation, the parties have 60 days to agree upon such rates. Upon expiration of such term, either party may begin proceedings (*desacuerdos de interconexión*), with IFT to establish applicable mobile termination rates.

Any potential disparity between the mobile termination rates made available by Telcel to other operators and the rates to be established by the IFT 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.

Likewise, the Company expects that these mobile termination rates, as well as other rates applicable to mobile interconnection (such as transit), 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.

As of December 31, 2014, the Company has established provisions in the accompanying financial statements for the losses AMX considered probable and estimable at such date for approximately Ps.2,500 million.

Short Message Services (SMS)—Rates

On March 26, 2014, the IFT issued a resolution imposing on Telcel a specified SMS termination rate it must charge to all mobile operators for the period commencing on April 6 and ending on December 31, 2014. The rate was reduced from Ps.0.1537 to Ps.0.0391. Telcel has filed an appeal for relief (*juicio de amparo*), against the IFT's resolution.

As a result of the entering into force of the Federal Law on Telecommunications and Broadcasting, the preponderant economic agent in the telecommunication sector (comprised, among others, by the Company, Telcel and Telmex), is precluded from charging other operators for SMS terminating in its network, but is required to pay termination rates for the traffic originated on its network. Although Telcel has challenged such gratuitous asymmetric regime in courts, the enforceability of such regime is not subject of being suspended.

Telcel has begun proceedings in order to determine the mobile termination rates it must pay to other operators for SMS. In accordance with applicable legislation, the parties have 60 days to agree upon such rates. Upon expiration of such term, either party may begin proceedings (*desacuerdos de interconexión*) with IFT to establish applicable mobile termination rates.

Short Message Services (SMS)—Royalties

The 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. The SAT is alleging that Telcel owes such amounts because short message services constitute concessioned services. Telcel has challenged the assessments on the grounds that short message services are value-added services that are not concessioned services. In other proceedings, COFETEL and more recently its successor, the IFT, have 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 concessioned services. Telcel has established a provision in the accompanying financial statements for the loss arising from these contingencies that the Company considers probable.

Class Actions

The Federal Consumer Bureau (*Procuraduría Federal del Consumidor, or "Profeco"*), filed an action similar to 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.

Five class actions have been initiated against Telcel (i) three are related to quality of service and were filed by consumers; (ii) one also filed by consumers is related 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; and (iii) 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. 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 March 2012, 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 SAT will issue tax assessments of Ps.2,750 million relating to the same matter.

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

Telmex

COFECO/IFT—Monopolistic practices investigations

Telmex and Telnor, are the target of three investigations into alleged monopolistic practices originally commenced by COFECO. In the first two investigations, it was determined that Telmex and Telnor engaged in monopolistic practices in the fixed-network interconnection services market. Telmex and Telnor have filed legal proceedings (including an appeal for relief *(juicio de amparo)*, against these rulings and their cases are pending resolution. In the third 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). Telmex and Telnor challenged that resolution and their cases are still pending.

AMX cannot predict when or how these investigations will be resolved. The competitive and financial effects of any final findings by the IFT 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.

Proceedings Concerning Telmex's Relationship with Dish México

As previously disclosed, in November 2008, Telmex entered into several agreements with Dish México, S. de R.L. de C.V. ("Dish México"), and its affiliates, which operate a DTH Pay TV system in Mexico, pursuant to which Telmex is currently providing billing and collection services, among others. As announced in July 2014, Telmex waived its rights arising from the option agreement related to the purchase of 51% of the shares representing the capital stock of Dish México.

Telmex has been subject to investigations in the past related to these arrangements. Recently, we have received new inquiries from governmental authorities on this subject, including inquiries from the Mexican National Banking and Securities Commission *(Comisión Nacional Bancaria y de Valores or* "CNBV"), in the case of América Móvil, and from both the CNBV and the IFT, in the case of Telmex.

In January 2015, Telmex was notified of a resolution issued by the IFT imposing a fine for an amount of Ps.14.4 million on the grounds that an alleged merger (*concentración*) between Telmex and Dish was not notified in November 2008. Telmex has filed an appeal for relief *(juicio de amparo)* against this resolution and the case is still pending. The inquiry received from the CNBV is pending and AMX cannot predict the outcome of such inquiry.

Notwithstanding the above, AMX is confident that our actions in connection with our relationship with this customer have been appropriate in all respects, because the arrangements were limited to providing services, providing financial support (in the form of leasing equipment and committing to locate fallback financing) and agreeing to purchase and sale options that could result in Telmex investing in the customer if specified regulatory conditions were met, including the approval from the relevant competent authorities. The Company does not believe these arrangements have at any time been material to our results, our financial condition or our compliance with our regulatory obligations.

However, the 2013 constitutional amendments prohibit a preponderant economic agent from obtaining direct or indirect benefit from the free of charge mandatory "must offer, must carry" rules for cable television providers. In March 2014, the IFT determined that Telmex is part of an economic group that is a preponderant economic agent, and consequently Telmex may not benefit from these rules. We will ensure that Telmex does not benefit from any application of the "must offer, must carry" rules.

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

Brazil

In August 2014, the Brazilian National Telecommunications Agency (*Agência Nacional de Telecomunicações*, or "Anatel") approved the Company's proposal for a corporate reorganization of certain of its subsidiaries in Brazil, aiming, among other purposes, to simplify their corporate structure and to reduce their operational costs. The reorganization became effective in December 2014, and, as a result, Empresa Brasileira de Telecomunicações S.A. ("Embratel"), Embratel Participações S.A. ("Embrapar") and Net Serviços Comunicação, S.A. ("Net Serviços") merged into Claro S.A. ("Claro Brasil"). Claro Brasil is the legal successor of Embrapar, Embratel and Net Serviços, but for reference purposes, this note will indicate the entity involved in each matter prior to the merger.

Tax Matters

ICMS

The Brazilian State Revenue Services have issued multiple tax assessments against Claro Brasil and Americel S.A. ("Americel"), 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 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. The Company has received rulings in some of these cases, including some that are unfavorable, which the Company has appealed. As of December 31, 2014, the total amount of the tax assessments is approximately Ps.17,820 million (approximately R$3,216 million), including fines and interest. The Company has established a provision of Ps.637 million (approximately R$115 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel, Primesys Soluções Empresariais S.A. ("Primesys"), Embratel TVSAT Telecomunicações S.A. ("TV SAT") and Telmex Do Brasil Ltda. ("TdB") received assessments in the amount of Ps.8,184 million (approximately R$1,477 million), from the tax authorities related to nonpayment of ICMS and alleged ICMS tax credits improperly claimed. 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 the Company cannot predict the timing of a final outcome. The Company has established a provision of Ps.272 million (approximately R$49 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Star One S.A. ("Star One"), has received tax assessments in the amount of Ps.14,118 million (approximately R$2,548 million), mainly based on the allegation that the provision of satellite capacity is subject to ICMS tax. The Company is contesting these tax assessments in multiple separate proceedings and has obtained two appealable favorable judicial decisions in two proceedings by second degree Brazilian Courts. A resolution is pending for the majority of the proceedings. The Company has not established a provision in the accompanying financial statements to cover the losses arising from this contingency.

In 2011 and 2013, Net Serviços was assessed by the Secretary of the Treasury of the State of São Paulo over a tax benefit derived from reducing its ICMS tax base, alleging that Net Serviços did not include revenues from the rental of equipment (*locação de equipamento*) in the ICMS base. The amount of this assessment as of December 31, 2014, was Ps. 2,671 million (approximately R$482 million). The tax authority claims that from (i) January 2008 to November 2009; and (ii) January 2010 to December 2011, Net Serviços 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 Serviços. In the tax authority's view, Net Serviços could not benefit from the rate reduction allowed by ICMS Agreement No.57/99 because Net Serviços did not include the rental of equipment in its revenues. Net Serviços based its calculation on the interpretation of the Brazilian Superior Court that the rental of equipment shall not be confused with a subscription TV service, and therefore cannot be taxed by ICMS and, consequently, Net Serviços should not lose such tax benefit. However, there is no specific precedent at the administrative or judicial levels on the issue, and it is not possible to predict the outcome of this matter. The Company has established a provision in the accompanying financial statements.

In 2008 and 2010, Net Brasília Ltda. ("Net Brasília"), a Net Serviços subsidiary, received tax assessment notices from the State Internal Revenue of the Distrito Federal in the amount of Ps.1,141 million (approximately R$155 million and R$51 million), respectively, as of December 2014, relating to the ICMS tax. The tax authority claims that during the period from January 2003 to June 2009 Net Brasília 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 Brasília. In the tax authority's view, the rate reduction benefit allowed by ICMS Agreement No. 57/99 expired on December 31, 2001. In connection with this matter in November 2014, the State of Distrito Federal enacted a law to exempt most part of ICMS if the taxpayers agreed to voluntarily pay the charged values. The exemption was so relevant that, even though the probability of loss was classified as possible, it was interesting to enter into this exemption program. The benefit caused a reduction of 96% of the tax assessment. In December 2014, Net Brasília paid Ps.72 million (approximately R$13 million) pursuant to an exemption under 2014 state legislation and closed both cases.

In October 2002, Net Rio Ltda. ("Net Rio"), a Net Serviços subsidiary, received a tax assessment notice from the State Tax Authority of the State of Rio de Janeiro in the amount of Ps.1,468 million (approximately R$265 million) relating to the ICMS tax. The tax authority alleged that, as a result of delays in the payment of its ICMS tax during the period from November and December 2001, Net Rio lost its rate reduction benefit until September 2002. Net Rio has recorded liabilities related to the period from November and December 2001 in the amount of Ps.211 million (approximately R$38 million). Based on analysis performed by legal counsel after an unfavorable decision from the lower court, Net Rio made an additional provision to the period from January to September 2002 in the amount of Ps.1,468 million (approximately R$265 million), as of December 2014.

IRPJ/ CSLL

In December 2014, the Brazilian Federal Revenue Service has issued tax assessment regarding goodwill amounts amortized by Claro Brasil between 2009 and 2012, charging Corporate Income Tax (*Imposto sobre Renda de Pessoa Jurídica*, or "IRPJ"), Social Contribution on Net Profit (*Contribuição Social Sobre o Lucro Líquido*, or "CSLL") and penalties due to the late payment of the taxes. The total amount of the tax assessment is approximately Ps.8,771 million (approximately R$1,583 million). This contingency is considered possible and the Company has not established a provision in the accompanying financial statements to cover losses arising from it.

Claro Brasil has other ongoing tax litigations in the amount of Ps.272 million (approximately R$49 million), related to IRPJ and CSLL. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

Embratel, Star One and Embrapar have other ongoing tax litigations in the amount of Ps.3,912 million (approximately R$706 million), mainly related to alleged incorrect tax deductions for purposes of IRPJ and CSLL. The Company has established a provision of Ps.1,801 million (approximately R$325 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

In 2009, Net São Paulo Ltda., a Net Serviços subsidiary that merged into Net Serviços in 2013, received a tax assessment issued by the Brazilian Internal Revenue Service questioning part of the expenses considered as deductible in the calculation of IRPJ and CSLL from 2004 to 2008, amounting to Ps.3,031 million (approximately R$547 million). In October 2010, a first instance decision reduced this amount to Ps.2,056 million (approximately R$371 million). As of December 31, 2014, the total amount in dispute is Ps.2,638 million (approximately R$476 million). The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

In 2012 and 2013, Net Serviços received other tax assessments in the amount of Ps.765 million (approximately R$138 million) issued by the Brazilian Internal Revenue Service questioning part of the expenses considered as deductible in the calculation of IRPJ and CSLL from 2007 to 2008. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

In 2014, the *Refis da Copa* law was enacted to partially exempt the taxes contested in legal proceedings if the taxpayers agreed to voluntarily pay the charged values with cash and tax credits arising from IRPJ and CSLL carry forwards. Pursuant to such law, in 2014 Net Serviços paid an amount of Ps.659 million (approximately R$119 million) closing the assessments received in 2009, 2012 and 2013 and representing an 80.6% reduction of the tax assessments' updated amount.

Net Serviços has other ongoing tax litigations in the amount of Ps.471 million (approximately R$85 million), related to IRPJ and CSLL. The Company has established a provision of Ps.100 million (approximately R$18 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

PIS/COFINS

In December 2005, the Brazilian Federal Revenue Service issued tax assessments against Claro Brasil and Americel in respect of PIS (*Programa de Integração Social*, or "PIS") and Brazilian Social Welfare Tax for Service Export Security (*Contribuição para o Financiamento da Seguridade Social*, or "COFINS") 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-Telecom Leste, S.A. ("ATL"), related to certain tax deductions taken by ATL in connection with its PIS and COFINS obligations. As discussed below, 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 Americel and Claro Brasil are contesting in pending challenges, was Ps.8,417 million (approximately R$1,519 million), including fines and interest as of December 31, 2014. The Company has established a provision of Ps.50 million (approximately R$9 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Separately, Claro Brasil and Americel 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. As of December, 31, 2014, the total amount in dispute was approximately Ps.10,822 million (approximately R$1,953 million).

Embrapar, Embratel, *Brasil Center Comunicações Ltda.* ("Brasil Center") and TdB have tax contingencies of Ps.122 million (approximately R$22 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. AMX has not established a provision in the accompanying financial statements and does not consider any loss to be probable.

Embrapar, Embratel, Brasil Center and TdB have tax contingencies of Ps.1,319 million (approximately R$238 million) as of December 31, 2014, related to the payment of COFINS. The Company is contesting these tax assessments in proceedings that are in different stages. The Company has established a provision of Ps.61 million (approximately R$11 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

FUST and FUNTTEL Funding

Anatel has issued tax assessments against Claro Brasil and Americel totaling Ps.7,165 million (approximately R$1,293 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 not made a provision in the accompanying financial statements to cover losses arising from this contingency.

Anatel and the Brazilian Ministry of Communications (*Ministério das Comunicações*, or MINICOM) have issued tax assessments against Embratel, Star One and Primesys totaling Ps.8,400 million (approximately R$1,516 million), relating to alleged underpayment of their funding obligations for FUST, from 2001 to 2012, and FUNTTEL, from 2001 to 2010. The assessments claim that interconnection and other 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 losses arising from these contingencies. The Company has made a judicial deposit in the amount of Ps.970 million (approximately R$175 million) related to part of the contingencies relating to FUST.

ISS

The Municipal Revenue Services have issued tax assessments against Embratel, Primesys, Brasil Center and TdB totaling Ps.5,098 million (approximately R$920 million) arising from nonpayment of Brazilian Services Tax (*Imposto sobre Serviços*, or "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 losses arising from these contingencies.

Net Serviços has contingencies related to ISS (Municipality of Santo André and Campinas) in the amount of Ps.853 million (approximately R$154 million) as of December 31, 2014, unduly charging ISS over telecommunication services (subject to ICMS). Due to an unfavorable judicial decision the probability of loss was reclassified as possible. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

Claro Brasil has others ongoing tax assessments related to ISS in the amount of Ps.199 million (approximately R$36 million) as of December 31, 2014, most related to ISS over certain services considered by Claro Brasil as non- taxable. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

EBC Funding

Claro Brasil, Embratel and Americel have 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 Americel are unsuccessful in their challenge, the total amount they would be required to contribute to EBC through December 31, 2014 is approximately Ps.2,643 million (approximately R$477 million). The Company has made a judicial deposit in this amount. The Company has established a provision of Ps.2,593 million (approximately R$468 million), in the accompanying financial statements for losses arising from this contingency which the Company considers probable.

TFI—Installation Inspection Fee

Anatel charged Claro Brasil and Americel the amount of Ps.10,157 million (approximately R$1,833 million) as of December 31, 2014, 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. The Company has not established a provision in the accompanying financial statements and does not consider any loss to be probable.

Imposto sobre Operações Financeiras (IOF)

Net Serviços 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, the Company 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.355 million (approximately R$64 million) as of December 31, 2014.

Tax Credit for Income Tax Withheld Abroad

The Brazilian Federal Revenue Service has issued tax assessments in the amount of Ps.1,923 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.1,369 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, 2014 is approximately Ps.648 million (approximately R$117 million). The Company has not made a provision in the accompanying financial statements to cover losses arising from this contingency.

Other tax contingencies

As of December 31, 2014, the Company's Brazilian subsidiaries are engaged in a number of additional administrative and legal proceedings challenging tax assessments, as summarized below:

- Claro Brasil and Americel have other on-going tax litigations in the total amount of Ps.704 million (approximately R$127 million) as of December 31, 2014, mostly related to the Brazilian Economic Intervention Contribution (*Contribuição de Intervenção no Domínio Econômico* or "CIDE"), the public price concerning the administration of numbering resources (*Preço Público Relativo à Administração dos Recursos de Numeração*, or "PPNUM") and import taxes (*Imposto de Importação*, or "II"). The Company has established a provision of Ps.78 million (approximately R$14 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.
- Embratel, Star One, TdB, and Primesys have other ongoing tax litigations in the amount of Ps.2,261 million (approximately R$408 million), mainly related to *Instituto Nacional do Seguro Social*, or "INSS", *Imposto Sobre Produtos Industrializados*, or "IPI", CPMF and the offsetting of IRPJ, COFINS, CSLL and Brazilian Foreign Paid Income Tax (*Imposto de Renda Retido na Fonte*, or "IRRF") against allegedly improper IRPJ credits. The Company has established a provision of Ps.55 million (approximately R$10 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.
- Embratel was fined Ps.1,773 million (approximately R$320 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 losses arising from this contingency.
- Embrapar, Embratel, Star One and TdB have received assessments in the total amount of Ps.1,435 million (approximately R$259 million), mainly related to allegedly nonpayment of the IRRF and CIDE and overpayments related to outbound traffic. The Company is challenging those assessments in administrative and judicial proceedings. The Company has established a provision of Ps.11 million (approximately R$2 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Regulatory Matters

Anatel Inflation-Related Adjustments

Anatel challenged the calculation of inflation-related adjustments due under the agreements it had with Tess, S.A. ("Tess"), and ATL, two of our Brazilian subsidiaries that were merged with and into 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 additional 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.1,491 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.1,058 million (approximately R$191 million). ATL also obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved. In April 2013, the appeal filed by ATL with respect to the declaratory suit was denied, and Claro Brasil filed a new appeal.

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 September 2014, Anatel calculated monetary correction in a total amount of Ps.8,866 million (approximately R$1.6 billion).

The Company has established a provision of Ps.3,302 million (approximately R$596 million), in the accompanying financial statements for losses arising from these contingencies which the Company considers probable.

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.1,662 million (approximately R$300 million). In September 2013, the relevant court ruled against Claro Brasil, and awarded the plaintiff Ps.166 million (approximately R$30 million). The plaintiffs and Claro Brasil challenged the ruling and those challenges are still pending.

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

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.887 million (approximately R$160 million). The Company contested these claims and in 2014 the Company obtained a favorable decision. The fine, applied by the Rio de Janeiro's Consumer Protection Agency, was nullified.

Administrative proceedings (PADOs)

Anatel filed several administrative proceedings (*Procedimentos Administrativos de Descumprimento de Obrigação*, or "PADOs"), against Claro Brasil in the amount of Ps.610 million (approximately R$110 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.388 million (approximately R$70 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Anatel filed several administrative proceedings (PADOs), against Embratel and Embrapar in the amount of Ps.4,305 million (approximately R$777 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.89 million (approximately R$16 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Other civil and labor contingencies

Claro Brasil and its subsidiaries are also party to other claims in the amount of Ps.9,846 million (approximately R$1,777 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.382 million (approximately R$69 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Claro Brasil and its subsidiaries are party to labor claims in the amount of Ps.6,716 million (approximately R$1,212 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.765 million (approximately R$138 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel and its subsidiaries are also party to other claims in the amount of Ps.4,012 million (approximately R$724 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.305 million (approximately R$55 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel and its subsidiaries are party to labor claims in the amount of Ps.4,771 million (approximately R$861 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.582 million (approximately R$105 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Net Serviços and its subsidiaries are also party to other claims in the amount of Ps.3,712 million (approximately R$670 million), including claims filed by its Pay TV, internet access and telephone service customers. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps.948 million (approximately R$171 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Net Serviços and its subsidiaries are party to labor claims in the amount of Ps.9,215 million (approximately R$1,663 million), filed by its current and former employees, seeking additional compensation for performing high-risk activities and for overtime work and commissions. The Company has established a provision of Ps.831 million (approximately R$150 million), in the accompanying financial statements for the losses arising from these contingencies that the Company 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.2,903 million (approximately R$524 million). The Company has established a provision of Ps.122 million (approximately R$22 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

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.2,266 million (approximately R$409 million). The Company has established a provision of Ps.1,042 million (approximately R$188 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Ecuador

Conecel

Tax Assessments

During 2008, the Ecuadorian Internal Revenue Services (*Servicios de Rentas Internas del Ecuador*, or "SRI") notified Conecel of tax assessments in the amount of Ps.2,031 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 a portion of these tax assessments, including fines, and challenged the outstanding amount with the SRI and, subsequently, with a Tax Court in Guayaquil. In March 2012, such Tax Court issued a favorable resolution with respect to Ps.353 million (approximately US$24 million). Following a series of unfavorable judicial decisions, in July 2013 and May 2014, Conecel paid the outstanding portion of the tax assessments, in an aggregate amount of Ps.2,164 (approximately US$147 million), including principal and accrued interest.

In 2011 and 2012, SRI notified Conecel of tax assessments in the amount of 1,751 million (approximately US$119 million), relating to income taxes for the 2007, 2008 and 2009 fiscal years. Conecel began certain judicial proceedings challenging the tax assessments and final resolutions for the challenges to the resolutions relating to the years 2008 and 2009 are still pending. The National Court of Justice, however, issued a final ruling in connection with Conecel's income tax for the year 2007 and determined that Conecel had to pay Ps.706 million (approximately US$48 million), including principal and accrued interest.

The Company has established a provision of Ps.235 million (approximately US$16 million) in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Fine imposed by the SCPM

In February 2014, following a regulatory claim filed in 2012 by the state-owned operator, Superintendency of Control of Market Power (*Superintendencia de Control del Poder del Mercado* or "SCPM"), imposed a fine on Conecel of Ps.2,037 million (US$138 million), for alleged monopolistic practices related to five locations which the state-owned operator argues that Conecel has exclusive rights to deploy its network preventing others from doing so. In March 2014, Conecel challenged the fine and posted a guarantee for 50% of its value. Through a judicial order issued during the same month, the competent court admitted Conecel's lawsuit and suspended the effects of the contested fine. A final resolution is still pending.

The Company has not established a provision in the accompanying financial statements to cover losses arising from this contingency.

Peru

OSIPTEL—Monopolistic practices investigations

Along with another mobile operator, América Móvil Perú, S.A.C. ("Claro Perú"), was the target of an investigation into alleged monopolistic practices conducted by the Peruvian National Regulatory Authority (*Organismo Supervisor de la Inversión Privada en Telecomunicaciones*, or "OSIPTEL"), related to mobile international long distance rates.

OSIPTEL fined Claro Peru Ps.2 million (approximately US$118,000) for monopolistic practices (price-squeezing in long distance tariffs). Although the fine is well below the maximum amount established by law, Claro Peru appealed the decision before the Administrative Tribunal in OSIPTEL, considering that the fine is unjustified and the decision has serious inconsistencies. If necessary, Claro Perú would also seek to challenge the resolution in Courts.

The Company has not established a provision in the accompanying financial statements to cover losses arising from this contingency.

Bulgaria

Mobiltel

Tax Assessment

In June 2014, the Bulgarian tax authorities issued a tax assessment regarding accounting of brand name and customer base amortized by Mobiltel EAD ("Mobiltel") for the years 2006 and 2007. The total amount of the tax assessment is approximately Ps.338 million (approximately €19 million). Mobiltel initiated administrative proceedings with the highest Bulgarian tax authority challenging the resolution. On December 1, 2014, Mobiltel was notified that the resolution was upheld. Mobiltel challenged the resolution before the competent judicial courts and such challenge is pending. Mobiltel issued a bank guarantee covering up to Ps.410 million (approximately €23 million). In case of an unfavorable decision by the competent judicial courts, Mobiltel might face a further potential additional claim for the years 2008 to 2012 in the amount of up to Ps.1,318 million (approximately €74 million).

21. Segments

América Móvil operates in different countries. As mentioned in Note 1, the Company has operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Costa Rica, Brazil, Argentina, Colombia, United States, Honduras, Chile, Peru, Paraguay, Uruguay, Dominican Republic, Puerto Rico, Panama, Austria, Croatia, Bulgaria, Belarus, Macedonian, Serbia and Slovenia. The accounting policies for the segments are the same as those described in Note 2.

The CEO, who is the Chief Operating Decision Maker ("CODM"), 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 (i) represent more than 10% of consolidated revenues, (ii) more than the absolute amount of its reported 10% of profits or loss and (iii) more than 10% of consolidated assets, are presented separately.

The Company has aggregated operating segments into the following reporting segments for purposes of its consolidated financial statements: Southern cone includes Argentina, Chile, Paraguay and Uruguay; Andean includes Ecuador and Peru.

The Company is of the view that the quantitative and qualitative aspects of the aggregated operating segments are similar in nature for all periods presented. In evaluating the appropriateness of aggregating operating segments, the key qualitative indicators include but not were limited to: (i) all entities provide telecommunications services, (ii) similarities of customer bases and services, (iii) the methods to distribute services are the same, based on telephone plant in both cases, wireless and fixed lines, (iv) similarities of governments and regulatory entities that oversee the activities and services that telecom companies, (v) inflation trends and (vi) currency trends.

	Mexico (1)	Telmex	Brazil	Southern Cone (2)	Colombia	Andean (3)	Central America (4)	U.S.A. (5)	Car
At December 31, 2012:									
External revenues	175,430,425	101,487,047	207,503,622	61,582,530	73,216,252	42,326,250	22,940,389	63,143,785	27,4
Intersegment revenues	8,215,134	4,537,527	2,282,932	435,281	215,816	169,038	107,089		
Total revenues	183,645,559	106,024,574	209,786,554	62,017,811	73,432,068	42,495,288	23,047,478	63,143,785	27,4
Depreciation and amortization	9,190,768	16,758,034	39,827,700	7,182,614	10,346,090	4,689,847	9,609,151	443,848	5,5
Operating income (loss)	81,961,505	20,861,828	12,686,216	8,071,120	22,709,742	13,176,907	(3,497,129)	1,827,830	2,8
Interest income	773,205	236,106	2,717,879	18,709	13,417	30,777	34,976	131	
Interest expense	16,115,981	2,467,279	2,592,655	660,930	372,933	72,206	16,942		
Income tax	22,358,177	5,642,907	1,210,759	3,998,988	6,397,518	3,708,410	1,119,312	845,900	7
Equity interest in net income (loss) of associated companies	770,206	116,240	(4,966)	6,541			(45,635)		
Net profit attributable to parent	55,193,008	10,798,865	582,186	2,606,370	15,151,468	9,303,620	(4,895,158)	1,063,311	1,3
Assets by segment	827,401,946	142,682,044	312,344,781	102,201,239	107,371,575	68,433,805	50,569,456	20,838,444	66,9
Plant, property and equipment, net	45,046,012	103,336,105	163,154,248	53,108,253	45,200,786	25,791,457	35,176,900	1,630,494	27,9
Goodwill	9,468,188	103,823	29,435,809	2,112,690	15,642,979	5,082,613	4,740,253	1,469,387	31,6
Trademarks, net	11,882		736,803	53,193		1,596	134,009		2
Licenses and rights, net	4,693,796	161,629	25,512,676	1,331,605	3,220,881	4,300,618	2,650,808		2,1
Investment in associated companies	82,966,158	1,523,525	681	205,525	18,816		16,782		
Liabilities by segments	496,054,819	143,884,994	168,454,045	63,320,536	38,459,314	20,608,834	26,307,510	19,042,295	30,9
At December 31, 2013:									
External revenues	183,016,890	99,445,347	196,705,316	61,246,969	73,963,729	44,943,680	24,106,372	77,166,979	25,5
Intersegment revenues	10,160,630	6,423,735	3,181,271	273,581	246,404	169,338	112,813		
Total revenues	193,177,520	105,869,082	199,886,587	61,520,550	74,210,133	45,113,018	24,219,185	77,166,979	25,5
Depreciation and amortization	11,405,254	16,645,362	38,247,324	7,241,569	9,248,385	5,035,188	8,377,356	509,104	4,8
Operating income (loss)	78,761,006	20,038,136	11,101,318	6,173,734	21,351,301	11,910,251	(1,129,337)	938,885	4,4
Interest income	8,739,161	166,672	1,655,190	2,948,225	897,567	766,272	154,830	130,229	3
Interest expense	23,388,422	2,988,604	7,517,536	1,222,657	476,135	232,765	148,356	121	
Income tax	9,510,280	6,010,974	(816,879)	3,317,959	6,461,978	4,592,131	(115,610)	39,182	1,3
Equity interest in net income (loss) of associated companies	39,085	(11,029)	(4,122)	12,806					
Net profit attributable to parent	48,128,000	7,872,632	(4,677,533)	964,798	12,630,598	7,826,900	(1,132,279)	1,192,188	1,5
Assets by segment	848,465,485	139,142,892	307,736,000	89,424,062	104,248,636	73,556,522	52,129,267	23,343,580	65,9
Plant, property and equipment, net	60,814,974	96,194,388	163,202,395	49,863,386	44,167,846	24,348,547	34,133,513	1,831,731	26,5
Goodwill, net	10,625,643	103,823	22,483,916	1,944,142	14,402,035	5,046,380	4,757,332	1,472,896	31,6
Trademarks, net	10,708	371,324	565,583	22,905		143	5		1
Licenses and rights, net	4,372,216	131,939	19,138,690	1,342,555	3,518,872	3,750,190	2,607,825		2,1
Investment in associated companies	98,594,805	1,575,687	24,566	162,562	25,276		16,651		
Liabilities by segments	591,193,076	114,351,892	187,788,294	66,706,964	35,838,774	23,281,476	24,398,597	20,546,879	23,4

At December 31, 2014:										
External revenues	**185,131,037**	**100,753,221**	**201,346,118**	**56,415,660**	**75,749,655**	**47,638,268**	**26,911,181**	**91,097,363**	**25,827,251**	**3**
Intersegment revenues	**10,578,487**	**6,764,446**	**3,300,831**	**116,703**	**241,953**	**163,908**	**111,963**		**14,521**	
Total revenues	**195,709,524**	**107,517,667**	**204,646,949**	**56,532,363**	**75,991,608**	**47,802,176**	**27,023,144**	**91,097,363**	**25,841,772**	**3**
Depreciation and amortization	**17,656,638**	**15,508,063**	**41,054,736**	**6,844,209**	**9,636,630**	**5,409,431**	**8,497,557**	**564,952**	**4,923,004**	
Operating income (loss)	**73,461,741**	**22,284,356**	**12,669,105**	**6,592,505**	**17,668,690**	**12,131,925**	**(212,229)**	**1,519,741**	**4,923,349**	
Interest income	**9,202,336**	**306,061**	**4,580,129**	**2,914,330**	**678,055**	**1,118,629**	**182,037**	**162,890**	**459,998**	
Interest expense	**25,586,733**	**1,930,074**	**12,083,113**	**834,485**	**759,198**	**413,769**	**154,958**		**54,609**	
Income tax	**21,294,488**	**5,361,854**	**(860,825)**	**3,173,025**	**5,149,614**	**4,290,993**	**1,244,570**	**699,237**	**1,442,656**	**(**
Equity interest in net income (loss) of associated companies	**(2,641,390)**	**45,346**	**(57,246)**	**(4,099)**						**(**
Net profit attributable to parent	**23,175,798**	**9,359,177**	**(4,765,722)**	**(2,099,324)**	**9,297,693**	**6,994,299**	**(1,306,575)**	**1,245,720**	**3,505,502**	
Assets by segment	**943,075,916**	**138,855,469**	**365,026,179**	**100,358,878**	**98,009,919**	**82,779,795**	**57,727,606**	**33,018,415**	**72,259,136**	**18**
Plant, property and equipment, net	**63,357,233**	**94,616,938**	**180,062,462**	**51,809,436**	**44,986,383**	**26,529,773**	**34,803,570**	**3,604,645**	**26,481,689**	**6**
Goodwill	**9,547,284**	**187,382**	**21,864,430**	**2,570,885**	**13,063,780**	**4,386,035**	**4,936,560**	**1,741,418**	**31,650,117**	**5**
Trademarks, net	**1,427,927**	**385,251**	**480,884**	**9,567**	**1,002**	**29**			**212,465**	
Licenses and rights, net	**4,297,637**	**102,248**	**34,241,704**	**5,063,150**	**3,922,260**	**3,645,244**	**2,387,686**		**3,047,521**	**2**
Customer relationships								**1,088,540**		**1**
Investment in associated companies	**50,987,952**	**1,876,389**	**592**	**129,431**	**29,314**		**18,737**			
Liabilities by segments	**662,701,177**	**107,172,821**	**235,793,721**	**81,439,115**	**45,796,322**	**26,833,960**	**27,219,970**	**29,029,234**	**31,476,106**	**12**

(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, Costa Rica, El Salvador, Honduras, Nicaragua and Panama.
(5) Excludes Puerto Rico
(6) Caribbean includes the Dominican Republic and Puerto Rico
(7) Europe includes Austria, Bulgaria, Croatia, Belarus, Slovenia, Macedonia and Serbia.

22. Components of other comprehensive income

The movements on the components of the other comprehensive income (loss) for the years ended December 31, 2012, 2013 and 2014 is as follows:

		2012		2013		**2014**
Controlling interest:						
Valuation of the derivative financial instruments, net of deferred taxes	Ps.	(253,428)	Ps.	(741,321)	**Ps.**	**(329,112)**
Translation effect of foreign subsidiaries and associates		(32,899,915)		(26,485,343)		**(5,786,883)**
Remeasurement of defined benefit plan, net of deferred taxes		2,377,006		(2,289,811)		**(6,625,463)**
Non-controlling interest of the items above..............................		(444,290)		(550,586)		**(635,804)**
Other comprehensive income (loss)........	Ps.	(31,220,627)	Ps.	(30,067,061)	**Ps.**	**(13,377,262)**

23. Subsequent Events

a) On January 9, 2015, the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones,* or "IFT") imposed a fine of Ps.14,400 on Telmex for failing to disclose to the IFT, in November of 2008, what the IFT has called a merger (*concentración*) between Telmex and Dish México Holdings, S. de R.L. de C.V., and its related companies. AMX will exercise any and all legal remedies to challenge the IFT's resolution.

b) On January 2015, the Company (through its subsidiary "Tracfone") and the Federal Trade Commission ("FTC") finalized the terms of a stipulated order, related to the Company's prior practice of marketing data. The order included payment of US$40,000 to the FTC to be deposited into a fund administered by the FTC or its designee to be used for consumer redress as a fixed payment amount, and for any expenses for the administration of the fund.

As of December 31, 2014, the Company had recorded a provision for settlement of the FTC and class action law suits. The total amount of US$45,100 was included in accounts payable in the consolidated statements of financial position as of December 31, 2014, and as Other expenses in the consolidated statement of comprehensive income for the year ended December 31, 2014.

c) On March, 2015, the Company reported that its Board of Directors decided to submit to the Annual Ordinary General Shareholders' Meeting to be held on or before April 30,2015 to (i) pay a cash dividend from the profit tax account (cuenta de utilidad fiscal or "CUFIN"), of Ps.0.26 , payable in two installments, to each of the shares of its capital stock series "AA", "A" and "L" (which includes the preferred dividend correspondent to the series "L" shares), 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;(ii) pay a cash dividend from the profit tax account CUFIN, of Ps.0.30 , payable in one installment during September 2015, to each of the shares of its capital stock series "AA", "A" and "L", 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 (iii) allocate the amount of Ps.35,000,000, to repurchase shares from April 2015 to April 2016.

d) On March 2015, the Company entered that a settlement agreement has been entered into with Axtel, S.A.B. de C.V. and Avantel, S. de R.L. de C.V. (collectively, "Axtel"). Pursuant to such settlement agreement, certain disputes regarding termination rates and related interconnection matters have been finally settled between Axtel, on the one hand, and Telcel, Telmex and Teléfonos del Noroeste ("Telnor"), on the other.

As part of the settlement agreement, Axtel and Telcel executed interconnection services agreements. With the execution of these agreements all disputes regarding mobile termination rates and related interconnection proceedings that started in 2005 have been finally settled between the parties. In addition, disputed and outstanding amounts related to mobile termination services for the period from 2005 to 2014 have been paid.

In consideration for the execution of the settlement agreement; the execution of interconnection services agreements with Telcel for the period from 2005 to 2015; the settlement and termination of certain existing disputes and claims with Telcel, Telmex and Telnor; and the assignment to América Móvil of certain litigation rights arising from administrative and judicial proceedings existing between the parties, América Móvil paid Axtel Ps.950,000, which was recognized in the consolidated statement of comprehensive income for the year ended December 31, 2014.

e) On April 17, 2015 the Extraordinary Shareholders' approved the spin-off from América Móvil of a newly created company, and the contribution to such new company of certain assets (mainly comprised of the passive infrastructure used by its wireless operations in Mexico), liabilities and equity.

24. Supplemental Guarantor Information

As mentioned in Note 16, the Company has issued senior notes in the United States. These notes are fully and unconditionally guaranteed by Telcel.

Consolidating Condensed Financial Information

The following consolidating information presents condensed consolidating statement of financial position as of December 31, 2013 and 2014 and condensed consolidating statements of comprehensive income and cash flows for each of the three years in the period ended December 31, 2014 of the Company and Telcel (the "wholly-owned Guarantor Subsidiary"). These statements are prepared in accordance with IFRS 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:

	As of December 31, 2013				
	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets:					
Cash and cash equivalents	Ps. 15,818,207	Ps. 1,227,994	Ps. 31,117,349		Ps. 48,163,550
Accounts receivable, net	44,885,269	12,962,566	80,494,138		138,341,973
Related parties	147,109,666	15,509,108	165,344,115	Ps. (326,616,497)	1,346,392
Inventories, net	448,408	19,933,734	16,373,268	(36,457)	36,718,953
Other current assets		607,696	11,519,504		12,127,200
Property, plant and equipment, net	8,852,264	36,416,986	455,837,701		501,106,951
Investments in associated companies	610,075,358	109,257,851	96,096,875	(726,543,060)	88,887,024
Intangible assets and other non-current assets, net	6,925,695	12,869,281	179,105,414		198,900,390
Total assets	Ps. 834,114,867	Ps. 208,785,216	Ps. 1,035,888,364	Ps. (1,053,196,014)	Ps. 1,025,592,433
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 14,228,350		Ps. 12,216,885	Ps. (603,757)	Ps. 25,841,478
Current liabilities	186,048,150	Ps. 199,125,611	184,541,352	(321,601,637)	248,113,476
Long-term debt	425,530,317		38,948,049		464,478,366
Other non-current liabilities	5,907,439	2,486,212	72,911,945	(4,447,560)	76,858,036
Total liabilities	631,714,256	201,611,823	308,618,231	(326,652,954)	815,291,356
Equity attributable to equity holders of the parent	202,400,611	7,173,393	717,119,500	(724,292,893)	202,400,611
Non-controlling interests			10,150,633	(2,250,167)	7,900,466
Total equity	202,400,611	7,173,393	727,270,133	(726,543,060)	210,301,077
Total liabilities and equity	Ps. 834,114,867	Ps. 208,785,216	Ps. 1,035,888,364	Ps. (1,053,196,014)	Ps. 1,025,592,433

	As of December 31, 2014									
		Parent		Wholly-owned Guarantor Subsidiary		Combined non-guarantor Subsidiaries		Eliminations		Consolidated Total
Assets:										
Cash and cash equivalents	Ps.	25,654,314	Ps.	1,394,691	Ps.	39,424,698			Ps.	66,473,703
Accounts receivable, net		77,630,240		13,395,305		77,094,918				168,120,463
Related parties		157,743,960		18,122,176		464,962,866	Ps.	(639,508,895)		1,320,107
Inventories, net		230,922		17,502,817		18,223,696		(27,153)		35,930,282
Other current assets				776,380		15,787,222				16,563,602
Property, plant and equipment, net		6,346,798		31,545,761		557,703,759				595,596,318
Investments in associated companies		639,676,336		90,638,813		72,404,950		(753,457,518)		49,262,581
Intangible assets and other non-current assets, net		1,644,636		14,307,317		329,137,660				345,089,613
Total assets	Ps.	908,927,206	Ps.	187,683,260	Ps.	1,574,739,769	Ps.	(1,392,993,566)	Ps.	1,278,356,669
Liabilities:										
Short-term debt and current portion of long-term debt	Ps.	31,749,264			Ps.	26,848,979	Ps.	(792,726)	Ps.	57,805,517
Current liabilities		249,303,984	Ps.	164,548,238		541,189,823		(633,935,938)		321,106,107
Long-term debt		445,485,243				100,464,227				545,949,470
Other non-current liabilities		(1,995,561)		19,807		125,639,665		(4,807,384)		118,856,527
Total liabilities		724,542,930		164,568,045		794,142,694		(639,536,048)		1,043,717,621
Equity attributable to equity holders of the parent		184,384,276		23,115,215		727,990,597		(751,105,812)		184,384,276
Non-controlling interests						52,606,478		(2,351,706)		50,254,772
Total equity		184,384,276		23,115,215		780,597,075		(753,457,518)		234,639,048
Total liabilities and equity	Ps.	908,927,206	Ps.	187,683,260	Ps.	1,574,739,769	Ps.	(1,392,993,566)	Ps.	1,278,356,669

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2012

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
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	87,525,232	131,836,240	532,740,660	(138,182,467)	613,919,665
Operating income	71,051,565	4,541,836	85,820,456	(263,877)	161,149,980
Interest (expense) income, net	(15,945,879)	(10,030,650)	7,565,322	2,522	(18,408,685)
Foreign currency exchange (loss) gain, net	14,182,855	1,640,474	(8,428,175)		7,395,154
Other financing cost, net	(919,171)		(12,349,666)	3,818	(13,265,019)
Income tax	16,473,632	442,558	29,067,262		45,983,452
Equity interest in net income (loss) of associated companies	39,092,832	879,423	(3,411,474)	(35,799,420)	761,361
Net profit (loss) for year	Ps. 90,988,570	Ps. (3,411,475)	Ps. 40,129,201	Ps. (36,056,957)	Ps. 91,649,339
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 90,988,570	Ps. (3,411,475)	Ps. 35,037,764	Ps. (31,626,289)	Ps. 90,988,570
Non-controlling interest			5,091,437	(4,430,668)	660,769
Net profit (loss)	Ps. 90,988,570	Ps. (3,411,475)	Ps. 40,129,201	Ps. (36,056,957)	Ps. 91,649,339
Other comprehensive (loss) income items:					
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent years					
Effect of translation of foreign entities	Ps. (32,899,915)	Ps. (4,822,249)	Ps. (32,512,828)	Ps. 36,813,888	Ps. (33,421,104)
Effect of fair value of derivatives, net of deferred taxes	(253,428)		(435,458)	449,722	(239,164)
Items that will not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of deferred taxes	2,377,006		2,439,641	(2,377,006)	2,439,641
Total other comprehensive income items for the year, net of deferred taxes	(30,776,337)	(4,822,249)	(30,508,645)	34,886,604	(31,220,627)
Total comprehensive income for the year	Ps. 60,212,233	Ps. (8,233,724)	Ps. 9,620,556	Ps. (1,170,353)	Ps. 60,428,712
Comprehensive income for the year attributable to:					
Equity holders of the parent	Ps. 60,212,233	Ps. (8,233,724)	Ps. 9,404,077	Ps. (1,170,353)	Ps. 60,212,233
Non-controlling interests			216,479		216,479
	Ps. 60,212,233	Ps. (8,233,724)	Ps. 9,620,556	Ps. (1,170,353)	Ps. 60,428,712

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2013

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 177,392,370	Ps. 147,484,740	Ps. 634,406,203	Ps. (173,182,292)	Ps. 786,101,021
Total cost and operating expenses	103,305,197	145,880,447	552,650,315	(169,992,694)	631,843,265
Operating income	74,087,173	1,604,293	81,755,888	(3,189,598)	154,257,756
Interest (expense) income, net	(19,499,075)	(10,232,219)	8,795,367	(88,892)	(21,024,819)
Foreign currency exchange (loss) gain, net	(5,715,711)	(205,605)	(13,689,149)		(19,610,465)
Other financing cost, net	4,407,649		(12,713,117)	13,933	(8,291,535)
Income tax	9,420,673	(1,473,226)	22,445,284		30,392,731
Equity interest in net income of associated companies	30,765,616	(41,170)	(7,401,474)	(23,286,690)	36,282
Net profit (loss) for year	Ps. 74,624,979	Ps. (7,401,475)	Ps. 34,302,231	Ps. (26,551,247)	Ps. 74,974,488
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 74,624,979	Ps. (7,401,475)	Ps. 33,737,205	Ps. (26,335,730)	Ps. 74,624,979
Non-controlling interest			565,026	(215,517)	349,509
Net profit (loss)	Ps. 74,624,979	Ps. (7,401,475)	Ps. 34,302,231	Ps. (26,551,247)	Ps. 74,974,488
Other comprehensive income items:					
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent years					
Effect of translation of foreign entities	Ps. (26,485,343)	Ps. (3,442,578)	Ps. (26,485,343)	Ps. 29,524,982	Ps. (26,888,282)
Effect of fair value of derivatives, net of deferred taxes	(741,321)	(658,570)	(833,613)	1,492,764	(740,740)
Items that will not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of deferred taxes	(2,289,811)		(3,874,354)	3,726,126	(2,438,039)
Total other comprehensive loss items for the year	(29,516,475)	(4,101,148)	(31,193,310)	34,743,872	(30,067,061)
Total comprehensive income for the year	Ps. 45,108,504	Ps. (11,502,623)	Ps. 3,108,921	Ps. 8,192,625	Ps. 44,907,427
Comprehensive income for the year attributable to:					
Equity holders of the parent	Ps. 45,108,504	Ps. (11,502,623)	Ps. 3,309,998	Ps. 8,192,625	Ps. 45,108,504
Non-controlling interests			(201,077)		(201,077)
	Ps. 45,108,504	Ps. (11,502,623)	Ps. 3,108,921	Ps. 8,192,625	Ps. 44,907,427

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2014

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 177,253,309	Ps. 160,813,209	Ps. 684,868,563	Ps. (174,673,261)	Ps. 848,261,820
Total cost and operating expenses	128,116,283	141,434,298	604,910,204	(182,753,215)	691,707,570
Operating income	49,137,026	19,378,911	79,958,359	8,079,954	156,554,250
Interest (expense) income, net	(28,644,460)	(9,557,003)	13,877,738	(146,527)	(24,470,252)
Foreign currency exchange (loss) gain, net	(9,171,796)	(1,067,727)	(18,375,936)		(28,615,459)
Other financing cost, net	5,940,256		(16,135,030)	4,513	(10,190,261)
Income tax	9,988,723	4,917,194	24,801,632		39,707,549
Equity interest in net income of associated companies	38,649,910	(4,185,854)	(348,866)	(40,188,199)	(6,073,009)
Net profit (loss) for year	Ps. 45,922,213	Ps. (348,867)	Ps. 34,174,633	Ps. (32,250,259)	Ps. 47,497,720
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 45,922,213	Ps. (348,867)	Ps. 32,717,012	Ps. (32,143,988)	Ps. 46,146,370
Non-controlling interest			1,457,621	(106,271)	1,351,350
Net profit (loss)	Ps. 45,922,213	Ps. (348,867)	Ps. 34,174,633	Ps. (32,250,259)	Ps. 47,497,720
Other comprehensive income items:					
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:					
Effect of translation of foreign entities	Ps. (5,786,883)	Ps. 2,718,279	Ps. (1,209,846)	Ps. (1,977,265)	Ps. (6,255,715)
Effect of fair value of derivatives, net of deferred taxes	(329,112)	(815,484)	(366,195)	1,197,219	(313,572)
Items not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of income tax effect	(6,625,463)		(6,512,408)	6,329,896	(6,807,975)
Total other comprehensive income items for the period	(12,741,458)	1,902,795	(8,088,449)	5,549,850	(13,377,262)
Total comprehensive income for the period	Ps. 33,180,755	Ps. 1,553,928	Ps. 26,086,184	Ps. (26,700,409)	Ps. 34,120,458
Comprehensive income for the period attributable to:					
Equity holders of the parent	Ps. 33,180,755	Ps. 1,553,928	Ps. 25,370,638	Ps. (26,700,409)	Ps. 33,404,912
Non-controlling interests			715,546		715,546
	Ps. 33,180,755	Ps. 1,553,928	Ps. 26,086,184	Ps. (26,700,409)	Ps. 34,120,458

Condensed Consolidating Statements of Cash Flows

For the year ended December 31, 2012

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 107,462,202	Ps. (2,968,917)	Ps. 69,196,463	Ps. (36,056,957)	Ps. 137,632,791
Non-cash items	(17,700,336)	13,469,502	89,101,098	35,803,277	120,673,541
Changes in working capital:	(142,895,497)	9,638,378	81,315,870	239,272	(51,701,977)
Net cash flows (used in) provided by operating activities	(53,133,631)	20,138,963	239,613,431	(14,408)	206,604,355
Investing activities:					
Acquisition of plant, property and equipment	17,059	(9,869,257)	(112,103,749)		(121,955,947)
Acquisition of intangibles			(7,830,248)		(7,830,248)
Dividends received	26,421,133		(571,187)	(25,278,759)	571,187
Acquisition of investment in associates and business combination	(8,060,283)		(73,849,936)	8,060,283	(73,849,936)
Proceeds from fixed asset sales			58,006		58,006
Cash acquired in business combinations			5,378,807		5,378,807
Net cash flows provided by (used in) investing activities	18,377,909	(9,869,257)	(188,918,307)	(17,218,476)	(197,628,131)
Financing activities:					
Bank loans, net	89,462,233		(46,721,960)		42,740,273
Acquisition of no controlling interest	(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 of shares 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	32,827,688	(10,956,101)	(56,964,847)	17,232,884	(17,860,376)
Net (decrease) increase in cash and cash equivalents	(1,928,034)	(686,395)	(6,269,723)		(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	29,197,958	2,012,334	27,913,704		59,123,996
Cash and cash equivalents at end of the period	Ps. 27,269,924	Ps. 1,325,939	Ps. 16,891,337		Ps. 45,487,200

Condensed Consolidating Statements of Cash Flows

For the year ended December 31, 2013

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 84,045,652	Ps. (8,874,701)	Ps. 56,747,515	Ps. (26,551,247)	Ps. 105,367,219
Non-cash items	43,845,079	15,791,372	63,265,973	23,286,691	146,189,115
Changes in working capital:	(34,873,416)	7,885,804	(40,043,987)	3,264,556	(63,767,042)
Net cash flows (used in) provided by operating activities	93,017,316	14,802,475	79,969,501		187,789,292
Investing activities:					
Acquisition of plant, property and equipment	69,274	(16,044,251)	(102,441,309)		(118,416,286)
Acquisition of licenses			(3,334,464)		(3,334,464)
Dividends received			212,394		212,394
Acquisition of non-controlling interest	(341,966)		(1,730,588)	341,966	(1,730,588)
Fixed asset sales			44,045		44,045
Acquisition of investments in associates and business combination			(15,366,062)		(15,366,062)
Partial sale of shares of associated company			4,299,360		4,299,360
Net cash flows provided by (used in) investing activities	(272,692)	(16,044,251)	(118,316,624)	341,966	(134,291,601)
Financing activities:					
Bank loans, net	70,907,667		(5,317,148)		65,590,519
Acquisition of no controlling interest	(72,016,331)		69,448,722		(2,567,609)
Interest paid	(16,839,948)	1,143,831	(6,958,002)		(22,654,119)
Paid-In capital			341,966	(341,966)	
Repurchase of shares and others	(70,745,785)				(70,745,785)
Payment of dividends	(15,501,944)		(220,632)		(15,722,576)
Financial instruments			(546,770)		(546,770)
Net cash flows (used in) provided by financing activities	(104,196,341)	1,143,831	56,748,136	(341,966)	(46,646,340)
Net (decrease) increase in cash and cash equivalents	(11,451,717)	(97,945)	18,401,013		6,851,351
Adjustment to cash flow for exchange rate differences			(4,175,001)		(4,175,001)
Cash and cash equivalents at beginning of the period	27,269,924	1,325,939	16,891,337		45,487,200
Cash and cash equivalents at end of the period	Ps. 15,818,207	Ps. 1,227,994	Ps. 31,117,349		Ps. 48,163,550

Condensed Consolidating Statements of Cash Flows

For the year ended December 31, 2014

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 55,910,936	Ps. 4,568,327	Ps. 58,976,264	Ps. (32,250,258)	Ps. 87,205,269
Non-cash items	76,781,705	20,102,297	62,552,178	40,188,198	199,624,378
Changes in working capital:	(59,801,260)	(24,312,700)	45,832,767	(7,937,940)	(46,219,133)
Net cash flows (used in) provided by operating activities	72,891,381	357,924	167,361,209		240,610,514
Investing activities:					
Acquisition of plant, property and equipment	289,705	(8,850,170)	(117,704,832)		(126,265,297)
Acquisition of licenses		(1,225,966)	(18,093,690)		(19,319,656)
Dividends received	(6,265)	7,070,000	(1,497)	(6,702,825)	359,413
Acquisition of businesses, net of cash required	7,664,566		(19,575,148)		(11,910,582)
Partial sale of shares of associated company	(10,400,293)	24,648,037	(12,582,000)	10,400,293	12,066,037
Investments in associate companies			(2,654,342)		(2,654,342)
Proceeds from fixed asset sales			96,781		96,781
Net cash flows provided by (used in) investing activities	(2,452,287)	21,641,901	(170,514,728)	3,697,468	(147,627,646)
Financing activities:					
Bank loans, net	11,556,519		(4,065,730)		7,490,789
Acquisition of no controlling interest			(4,696,245)		(4,696,245)
Interest paid	(20,818,380)	(21,833,128)	9,368,090		(33,283,418)
Paid-In capital			10,400,293	(10,400,293)	
Repurchase of shares and others	(35,049,327)				(35,049,327)
Increase of non-controlling interests			7,181,894		7,181,894
Payment of dividends	(16,291,799)		(7,465,855)	6,702,825	(17,054,829)
Financial instruments			653,116		653,116
Net cash flows (used in) provided by financing activities	(60,602,987)	(21,833,128)	11,375,563	(3,697,468)	(74,758,020)
Net (decrease) increase in cash and cash equivalents	9,836,107	166,697	8,222,044		18,224,848
Adjustment to cash flow for exchange rate differences			85,305		85,305
Cash and cash equivalents at beginning of the period	15,818,207	1,227,994	31,117,349		48,163,550
Cash and cash equivalents at end of the period	Ps. 25,654,314	Ps. 1,394,691	Ps. 39,424,698		Ps. 66,473,703

Exhibit 4.4

This **TERMINATION AGREEMENT TO MANAGEMENT SERVICES AGREEMENT** (this “Termination Agreement”) is entered into as of May 22, 2014 (the “Agreement Date” to be effective as of May 19, 2014 (the “Termination Date”), between AT&T MEXICO, LLC. (formerly known as AT&T MEXICO, INC.), a limited liability company duly organized under the laws of the State of Delaware, United States of America (“U.S.A.”), with headquarters in Wilmington, Delaware, U.S.A., and permanent establishment in the United Mexican States under the Income Tax Law with address at Lago Zurich No. 245, Edificio Presa Falcón, Piso 14, Colonia Ampliación Granada, 11529, Mexico City (hereinafter “AT&T MEXICO”) and AMÉRICA MÓVIL, S.A.B. DE C.V., a *sociedad anónima bursátil de capital variable* duly organized under the laws of the United Mexican States, with its principal place of business in Mexico City (hereinafter “AMÉRICA MÓVIL”) (each a “Party” and, collectively the “Parties”).

WITNESSETH:

WHEREAS, AT&T MEXICO and AMÉRICA MÓVIL entered into that certain Management Services Agreement dated February 27, 2002 as amended by that certain First Amendment to Management Services Agreement dated as of January 1, 2003; that certain Second Amendment to Management Services Agreement dated as of October 29, 2003; that certain Third Amendment to Management Services Agreement dated as of January 1, 2004; that certain Fourth Amendment to Management Services Agreement dated as of January 31, 2005; that certain Fifth Amendment to Management Services Agreement dated as of December 31, 2005; that certain Sixth Amendment to Management Services Agreement dated as of February 1, 2007; that certain Seventh Amendment to Management Services Agreement dated as of July 7, 2010; that certain Eighth Amendment to Management Services Agreement dated as of September 23, 2009; that certain Ninth Amendment to Management Services Agreement dated as of November 18, 2009; that certain Tenth Amendment to Management Services Agreement dated as of August 3, 2010; that certain Eleventh Amendment to Management Services Agreement dated as of February 8, 2011; that certain Twelfth Amendment to Management Services Agreement dated as of July 12, 2012; and that certain Thirteenth Amendment to Management Services Agreement dated as of December 11, 2012 (as amended, the “MSA”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the MSA; and

WHEREAS, AT&T MEXICO and AMÉRICA MÓVIL desire to terminate the MSA, as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants hereinafter set forth, the Parties hereto hereby agree as follows:

1. **Termination of the MSA.** Effective upon the Termination Date, the MSA is hereby terminated; provided, however, that the confidentiality obligations and those other obligations under the MSA which by their nature or as specifically provided for in the MSA would continue beyond such termination shall survive such termination. For avoidance of doubt, the Parties agree that: (i) The notice requirements under Clause Sixth of the MSA shall not apply to the termination set forth herein, and (ii) AT&T MEXICO shall, no later than 10 business days after the Agreement Date, make a fixed payment to AMÉRICA MÓVIL in the amount of US$374,193.55 (such amount representing a return of the pro rata portion of the monthly payment of US$833,333.33, including value added tax, made by AMÉRICA MÓVIL pursuant to Clause Fourth of the MSA with respect to May 2014, based on the number of days in such month after, and not including, the Termination Date).

2. **Information.**

In accordance with Clause Second, Section 4 of the MSA, AMÉRICA MÓVIL hereby requests, and AT&T MEXICO agrees and warrants that it will promptly take all necessary actions to ensure that, (i) all documents containing or reflecting Information delivered by AMÉRICA MÓVIL pursuant to the MSA shall be returned to AMÉRICA MÓVIL and (ii) all documents or computer files prepared by AT&T MEXICO (including any of its Recipients) based on Information delivered by AMÉRICA MÓVIL pursuant to the MSA shall be destroyed.

3. **Release from Liability.**

(a) AMÉRICA MÓVIL, hereby forever releases, waives and discharges AT&T MEXICO and its affiliates from any and all proceedings, actions, causes of action, suits, debts, covenants, contracts, controversies, agreements, promises, variances, damages, judgments, settlements, assessments, penalties, executions, claims, obligations, costs, expenses, losses, exposures, liabilities, duties and demands whatsoever, of every name and nature, in law or equity, known or unknown, suspected or unsuspected (collectively, "Claims"), which AMÉRICA MÓVIL ever had, now has or hereafter can, shall or may have against AT&T MEXICO or its affiliates arising from any and all obligations under the MSA, except as provided under Section 1 or Section 2 of this Termination Agreement.

(b) AT&T MEXICO hereby forever releases, waives and discharges AMÉRICA MÓVIL and its affiliates from any and all Claims which AT&T MEXICO ever had, now has or hereafter can, shall or may have against AMÉRICA MÓVIL or its affiliates arising from any and all obligations under the MSA, except as provided under Section 1 of this Termination Agreement.

4. **Further Assurances.** Each of the parties hereto agrees, and agrees to cause their respective affiliates, to execute any such additional documents or releases from liability and to take any such additional actions as may be reasonably requested by any other party to give effect to the provisions of and transactions contemplated by this Agreement.

5. **Counterparts.** This Termination Agreement may be executed in one or more counterparts, and by the Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

6. **Governing Law.** This Termination Agreement shall be governed by and construed in accordance with the laws of Mexico City, without respect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the Parties has caused this Termination Agreement to be signed and delivered by its duly authorized officer as of the date first above written.

AT&T MEXICO, LLC.
(formerly known as AT&T
MEXICO, INC.)

/s/ Jeffery S. McElfresh

By: Jeffery S. McElfresh
President-AT&T Mexico

AMÉRICA MÓVIL, S.A.B. DE C.V.

/s/ Alejandro Cantu Jiménez

By: Alejandro Cantu Jiménez
Attorney-in-fact