PROSPECTUS SUPPLEMENT
(To Prospectus Dated October 1, 2018)

América Móvil, S.A.B. de C.V.

€1,000,000,000 0.750% Senior Notes due 2027

We are offering €1,000,000,000 aggregate principal amount of our 0.750% senior notes due 2027 (the "notes").

We will pay interest on the notes on June 26 of each year, beginning on June 26, 2020. The notes will mature on June 26, 2027.

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, in whole but not in part, at a price equal to 100% of their principal amount plus accrued and unpaid interest thereon to the redemption date. We may, at our option, redeem the notes, in whole at any time or in part from time to time, at the redemption prices set forth under "Description of Notes—Optional Redemption" in this prospectus supplement.

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

This prospectus supplement and the accompanying prospectus dated October 1, 2018 constitute a prospectus for the purpose of the Luxembourg law on prospectuses for securities dated July 16, 2019. This prospectus supplement and the accompanying prospectus dated October 1, 2018 may only be used for the purpose for which they have been published. The Legal Entity Identifier Code is 5493000FNR3UCEAONM59.

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(2)
0.750% Senior Notes due 2027	99.745%	0.200%	99.545%	€995,450,000

(1) Plus accrued interest, if any, from June 26, 2019.
(2) Before deducting expenses payable by us related to this offering.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*, OR THE "RNV") MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*, OR THE "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 HAVE 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 June 26, 2019 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 Lead Managers and Joint Book-Running Managers

Barclays **BofA Merrill Lynch**

Joint Book-Running Managers

J.P. Morgan **UBS Investment Bank** **Santander** **UniCredit Bank**

Global Coordinator

Barclays

The date of this prospectus supplement is August 13, 2019.

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Prospectus Supplement

Prospectus

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, Barclays Bank PLC, 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 Barclays Bank PLC, 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 Barclays Bank PLC, 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 herein. 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 a leading telecommunications services 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, which together account for over half of our total RGUs and where we have the largest market share based on RGUs. We also have operations in 16 other countries in the Americas and seven countries in Central and Eastern Europe. As of March 31, 2019, we had 277.4 million wireless subscribers and 84.5 million fixed RGUs.

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 offices at Lago Zurich 245, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Miguel Hidalgo, 11529, Mexico City, Mexico. Our telephone number is (5255) 2581-3700, ext. 4449 or 3935.

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	€1,000,000,000 aggregate principal amount of 0.750% Senior Notes due 2027.
Price to Public	99.745% of principal amount, plus accrued interest, if any, from June 26, 2019.
Issue Date	The notes will be issued on June 26, 2019.
Maturity Date	The notes will mature on June 26, 2027.
Interest Rate	Interest on the notes will accrue at the rate of 0.750% per year from June 26, 2019.
Interest Payment Dates	Interest on the notes will be payable on June 26 of each year, beginning on June 26, 2020.
Currency of Payment	All payments of principal of and premium, if any, and interest on the notes will be made in euro.
Calculations of Interest	Interest will be computed at a fixed rate on the basis of a 365-day year or 366-day year (in the event of a leap 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. Some of our outstanding debt securities that were issued in the Mexican and international markets are 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. In addition, some securities we have issued in the Mexican and international markets provide for a covenant and events of default relating to Telcel

(specifically, relating to our continued control of Telcel and to defaults or insolvency events involving Telcel) that are not included in the notes offered hereby. The notes do not restrict our ability or the ability of our subsidiaries to incur additional indebtedness in the future.

As of March 31, 2019, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of approximately Ps.517.8 billion (U.S.$26.8 billion) excluding guarantees of our subsidiaries' indebtedness and lease debt recognized pursuant to International Financial Reporting Standard 16, *Leases* ("IFRS 16"). As of March 31, 2019, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries and lease debt recognized pursuant to IFRS 16) of approximately Ps.136.6 billion (U.S.$7.1 billion).

Use of Proceeds

We intend to use the net proceeds from the sale of the notes for the repayment of outstanding indebtedness. See "Use of Proceeds" in this prospectus supplement.

Further Issuances

We may, from time to time without the consent of holders of the notes, issue additional notes on the same terms and conditions as the notes (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.

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% or, in certain circumstances, 10%. 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

Prior to the par call date set forth below, we may, at our option, redeem the notes, in whole at any time or in part from time to time, by paying the greater of the principal amount of the notes to be redeemed and the "make-whole" amount, plus accrued and unpaid interest thereon to the redemption date. On or after the par call date, we may, at our option, redeem the outstanding notes, in whole at any time or in part from time to time, at par plus accrued and unpaid interest thereon to the redemption date.

The par call date is March 26, 2027 (the date that is three months prior to the stated maturity of the notes).

See "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 in excess of the additional interest attributable to a Mexican withholding tax rate of 4.9%, we may redeem the outstanding notes, in whole but not in part, at any time, at a price equal to 100% of their principal amount plus accrued and unpaid interest thereon to the redemption date.

Listing	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. However, we will not be required to maintain such listing.
ISIN and Common Code	The ISIN for the notes is XS2006277508. The Common Code for the notes is 200627750.
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 Debt 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, Registrar and Transfer Agent	Citibank, N.A.
Paying Agent	Citibank, N.A., London Branch
Luxembourg Listing Agent	Banque Internationale à Luxembourg SA
Governing Law	The indenture, the supplemental indenture relating to the notes and the notes will be governed by the laws of the State of New York.
Taxation	See "Taxation" in the accompanying prospectus for a summary of certain Mexican federal and U.S. federal income tax considerations.
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 "Part III—Risk Factors" in our 2018 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, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018, which are included in our 2018 Form 20-F (as defined herein). It also incorporates by reference certain unaudited consolidated financial information as of March 31, 2019, and for the three months ended March 31, 2018 and 2019, which is included in our report on Form 6-K filed with the SEC on May 24, 2019. 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, 2018. 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.

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.19.3201 to U.S.$1.00, which was the rate for settlement of obligations in foreign currencies on March 29, 2019, as reported by *Banco de México* and published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*).

INCORPORATION OF CERTAIN INFORMATION 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, 2018, filed with the SEC on April 12, 2019 (SEC File No. 001-16269) (our "2018 Form 20-F");
- 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;
- our report on Form 6-K, filed with the SEC on May 24, 2019 (SEC File No. 001-16269), containing a discussion of our results of operations for the first quarter of 2019 (our "May Form 6-K"); 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-3ASR (SEC File No. 333-227649).

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, or in any subsequently filed document which also is incorporated by reference herein, modifies or supersedes such earlier 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, Miguel Hidalgo, 11529, Mexico City, Mexico, Attention: Investor Relations, telephone (5255) 2581-3700, ext. 4449 or 3935. Our 2018 Form 20-F and our May Form 6-K 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. 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 “Part III—Risk Factors” in our 2018 Form 20-F, incorporated by reference in this prospectus supplement.

USE OF PROCEEDS

The net proceeds from the sale of the notes, after payment of the underwriting discounts and transaction expenses, are expected to be approximately €995 million (or approximately Ps.21,392 million calculated using the exchange rate for June 19, 2019 of U.S.$1.1197 to €1.00, as reported by *Banco de México*). We intend to use the net proceeds from the sale of the notes for the repayment of outstanding indebtedness.

CAPITALIZATION

The following table sets forth our consolidated capitalization, excluding lease debt recognized pursuant to IFRS 16, in the amount of Ps.116.3 billion, as of March 31, 2019, and as adjusted to reflect (a) the issuance and sale of the notes, but not the application of the net proceeds of the offering, (b) the issuance of our 3.625% Senior Notes due 2029 and 4.375% Senior Notes due 2049 on April 22, 2019 and (c) the redemption on May 15, 2019, in whole, of our 5.000% Senior Notes due 2019 and the 5.500% Senior Notes due 2019 of our subsidiary Teléfonos de México, S.A.B. de C.V. ("Telmex") and, in part, of our 5.000% Senior Notes due 2020.

U.S. dollar amounts in the table are presented solely for your convenience using the exchange rate of Ps.19.3201 to U.S.$1.00, which was the rate for the settlement of obligations in foreign currencies on March 29, 2019, as reported by *Banco de México* and published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*).

	As of March 31, 2019			
	Actual		As Adjusted	
	(millions of Mexican pesos)	(millions of U.S. dollars)	(millions of Mexican pesos)	(millions of U.S. dollars)
	(unaudited)			
Debt Securities:				
Denominated in U.S. dollars:				
América Móvil 5.000% Senior Notes due 2019	Ps. 14,490	U.S.$ 750	Ps. —	U.S.$ —
Telmex 5.500% Senior Notes due 2019	7,291	377	—	—
América Móvil 5.000% Senior Notes due 2020	41,052	2,125	12,072	625
América Móvil 3.125% Senior Notes due 2022	30,912	1,600	30,912	1,600
América Móvil 3.625% Senior Notes due 2029	—	—	19,320	1,000
América Móvil 6.375% Senior Notes due 2035	18,959	981	18,959	981
América Móvil 6.125% Senior Notes due 2037	7,134	370	7,134	370
América Móvil 6.125% Senior Notes due 2040	38,640	2,000	38,640	2,000
América Móvil 4.375% Senior Notes due 2042	22,218	1,150	22,218	1,150
América Móvil 4.375% Senior Notes due 2049	—	—	24,150	1,250
Total	Ps. 180,696	U.S.$ 9,353	Ps. 173,405	U.S.$ 8,976
Denominated in Mexican pesos:				
América Móvil 6.000% Senior Notes due 2019	Ps. 10,000	U.S.$ 518	Ps. 10,000	U.S.$ 518
América Móvil 8.600% Domestic Senior Notes due 2020	7,000	362	7,000	362
América Móvil 6.450% Senior Notes due 2022	22,500	1,165	22,500	1,165
América Móvil 7.125% Senior Notes due 2024	11,000	569	11,000	569
América Móvil 0.000% Domestic Senior Notes due 2025	4,653	241	4,653	241
América Móvil 8.460% Senior Notes due 2036	7,872	407	7,872	407
Telmex 8.360% Domestic Senior Notes due 2037	5,000	259	5,000	259
Total	Ps. 68,025	U.S.$ 3,521	Ps. 68,025	U.S.$ 3,521

(Table continued on next page)

	As of March 31, 2019							
	Actual				As Adjusted			
	(millions of Mexican pesos)		(millions of U.S. dollars)		(millions of Mexican pesos)		(millions of U.S. dollars)	
	(unaudited)							
Denominated in euro:								
América Móvil 4.125% Senior Notes due 2019	Ps.	21,673	U.S.$	1,122	Ps.	21,673	U.S.$	1,122
América Móvil B.V. 0.000% Exchangeable Bonds due 2020		61,592		3,188		61,592		3,188
América Móvil 3.000% Senior Notes due 2021		21,673		1,122		21,673		1,122
TKA 3.125% Senior Notes due 2021		16,827		871		16,827		871
TKA 4.000% Senior Notes due 2022		17,241		892		17,241		892
América Móvil 4.750% Senior Notes due 2022		16,255		841		16,255		841
TKA 3.500% Senior Notes due 2023		6,834		354		6,834		354
América Móvil 3.259% Senior Notes due 2023		16,255		841		16,255		841
América Móvil 1.500% Senior Notes due 2024		18,422		954		18,422		954
TKA 1.500% Senior Notes due 2026		16,255		841		16,255		841
América Móvil 2.125% Senior Notes due 2028		14,088		729		14,088		729
América Móvil 0.750% Senior Notes due 2027 offered hereby[(1)]		—		—		21,673		1,122
Total	Ps.	227,115	U.S.$	11,755	Ps.	248,788	U.S.$	12,877
Denominated in Pound sterling:								
América Móvil 5.000% Senior Notes due 2026	Ps.	12,592	U.S.$	652	Ps.	12,592	U.S.$	652
América Móvil 5.750% Senior Notes due 2030		16,369		847		16,369		847
América Móvil 4.948% Senior Notes due 2033		7,555		391		7,555		391
América Móvil 4.375% Senior Notes due 2041		18,888		978		18,888		978
Total	Ps.	55,404	U.S.$	2,868	Ps.	55,404	U.S.$	2,868
Denominated in Japanese yen:								
América Móvil 2.950% Senior Notes due 2039	Ps.	2,266	U.S.$	117	Ps.	2,266	U.S.$	117
Total	Ps.	2,266	U.S.$	117	Ps.	2,266	U.S.$	117
Denominated in Chilean pesos:								
América Móvil 3.961% Senior Notes due 2035	Ps.	3,924	U.S.$	203	Ps.	3,924	U.S.$	203
Total	Ps.	3,924	U.S.$	203	Ps.	3,924	U.S.$	203
Denominated in Brazilian reais:								
Claro Brasil 103.900% of CDI Domestic Senior Notes due 2019	Ps.	4,958	U.S.$	257	Ps.	—	U.S.$	—
Claro Brasil 102.400% of CDI Domestic Senior Notes due 2019		4,958		257		4,958		257
Claro Brasil 103.250% of CDI Domestic Senior Notes due 2019		1,785		92		1,785		92
Claro Brasil 102.900% of CDI Domestic Senior Notes due 2020		7,437		385		7,437		385
Claro Brasil 104.000% of CDI Domestic Senior Notes due 2021		5,454		282		5,454		282
Claro Brasil 104.250% of CDI Domestic Senior Notes due 2021		7,512		389		7,512		389
Claro Brasil 106.000% of CDI Domestic Senior Notes due 2022		9,916		513		9,916		513
Total	Ps.	42,020	U.S.$	2,175	Ps.	37,062	U.S.$	1,918

(Table continued on next page)

	As of March 31, 2019							
	Actual				As Adjusted			
	(millions of Mexican pesos)		(millions of U.S. dollars)		(millions of Mexican pesos)		(millions of U.S. dollars)	
	(unaudited)							
Hybrid Debt Securities:								
Denominated in euro:								
América Móvil Euro NC10 (Euro Series B) Capital Securities due 2073	Ps.	11,920	U.S.$	617	Ps.	11,920	U.S.$	617
Total	Ps.	11,920	U.S.$	617	Ps.	11,920	U.S.$	617
Denominated in Pound sterling:								
América Móvil GBP NC7 Capital Securities due 2073	Ps.	13,851	U.S.$	717	Ps.	13,851	U.S.$	717
Total	Ps.	13,851	U.S.$	717	Ps.	13,851	U.S.$	717
Bank Debt and Other:								
Denominated in U.S. dollars	Ps.	13,945	U.S.$	721	Ps.	13,945	U.S.$	721
Denominated in Mexican pesos	Ps.	20,500	U.S.$	1,061	Ps.	20,500	U.S.$	1,061
Denominated in Euros	Ps.	4,324	U.S.$	224	Ps.	4,324	U.S.$	224
Denominated in Chilean pesos	Ps.	64	U.S.$	3	Ps.	64	U.S.$	3
Denominated in Brazilian reais	Ps.	13	U.S.$	1	Ps.	13	U.S.$	1
Denominated in Guatemalan quetzales	Ps.	532	U.S.$	28	Ps.	532	U.S.$	28
Denominated in Peruvian soles	Ps.	9,734	U.S.$	504	Ps.	9,734	U.S.$	504
Total	Ps.	49,112	U.S.$	2,542	Ps.	49,112	U.S.$	2,542
Total Debt*	Ps.	654,333	U.S.$	33,868	Ps.	676,006	U.S.$	34,990
Less short-term debt and current portion of long-term debt*	Ps.	161,416	U.S.$	8,355	Ps.	161,416	U.S.$	8,355
Total Long-term Debt*	Ps.	492,917	U.S.$	25,513	Ps.	514,590	U.S.$	26,635
Equity:								
Capital stock	Ps.	96,338	U.S.$	4,986	Ps.	96,338	U.S.$	4,986
Total retained earnings	Ps.	256,529	U.S.$	13,277	Ps.	256,529	U.S.$	13,277
Other comprehensive income (loss) items	Ps.	(145,144)	U.S.$	(7,513)	Ps.	(145,144)	U.S.$	(7,513)
Non-controlling interest	Ps.	50,049	U.S.$	2,591	Ps.	50,049	U.S.$	2,591
Total Equity	Ps.	257,772	U.S.$	13,341	Ps.	257,772	U.S.$	13,341
Total Capitalization (total long-term debt* plus equity)	Ps.	750,689	U.S.$	38,854	Ps.	772,362	U.S.$	39,976

* Excluding lease debt recognized pursuant to IFRS 16.

(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.$1.1218 to €1.00 published by Bloomberg for March 29, 2019 and from U.S. dollars to Mexican pesos using the exchange rate of Ps.19.3201 to U.S.$1.00 for March 29, 2019, as reported by *Banco de México* and published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*).

As of March 31, 2019, we had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of approximately Ps.517.8 billion (U.S.$26.8 billion) excluding guarantees of our subsidiaries' indebtedness and lease debt recognized pursuant to IFRS 16. As of March 31, 2019, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries and lease debt recognized pursuant to IFRS 16) of approximately Ps.136.6 billion (U.S.$7.1 billion).

DESCRIPTION OF NOTES

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

In this section of this prospectus supplement, references to "we," "us" and "our" are to América Móvil, S.A.B. de C.V. only and not to 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 Debt Securities, Clearing and Settlement—Debt Securities Denominated in a Currency other than U.S. Dollars" in the accompanying prospectus.

General

Base Indenture and Supplemental Indenture

The notes will be issued under a base indenture, dated as of October 1, 2018, and a supplemental indenture relating to the notes. References to the "indenture" are to the base indenture as supplemented by the supplemental indenture. The indenture is an agreement among us, Citibank, N.A., as trustee, registrar and transfer agent, and Citibank N.A., London Branch, as paying agent.

Principal and Interest

The aggregate principal amount of the notes offered hereby will be €1,000,000,000. The notes will mature on June 26, 2027. The notes will bear interest at a rate of 0.750% per year from June 26, 2019.

Interest on the notes will be payable on June 26 of each year, beginning on June 26, 2020, 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 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 (in the event of a leap year), as applicable, and the actual number of days elapsed.

"Business day" means a 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.

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

Currency of Payment

All payments of principal of and premium, if any, and interest on the notes will be made in euro.

Stated Maturity and Maturity

The day on which the principal amount of the notes is scheduled to become due is called the "stated maturity" of the principal of the notes. On the stated maturity of the principal of the notes, the full principal amount of the notes will become due and payable. The principal may become due before the stated maturity by reason of redemption or acceleration after a default. The day on which the principal actually becomes due, whether at the stated maturity or earlier, is called the "maturity" of the principal.

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

Form and Denominations

The notes 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 Debt Securities, Clearing and Settlement—Debt Securities Denominated in a Currency other than U.S. Dollars” in the accompanying prospectus.

Further Issues

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

Payment of Additional Interest

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

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 holders will receive after deductions or withholding 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.

Any references in this prospectus supplement to principal, premium, if any, interest or any other amount payable in respect of the notes by us will be deemed also to 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 the notes. In addition, holders will not be entitled to require us to repurchase their notes from them before the stated maturity.

Optional Redemption With “Make-Whole” Amount or at Par

Prior to the Par Call Date, we will have the right, at our option, to redeem the outstanding notes, in whole at any time or in part from time to time, 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 the Remaining Payments, discounted to the redemption date on an annual basis (assuming a 365-day year or 366-day year (in the event of a leap year), as applicable, and the actual number of days elapsed) at the Bund Rate plus 20 basis points (the “make-whole” amount), plus, in each case, accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date.

On or after the Par Call Date, we will have the right, at our option, to redeem the outstanding notes, in whole at any time or in part from time to time, on at least 30 days’ but not more than 60 days’ notice, at par plus accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date.

“Par Call Date” means March 26, 2027 (the date that is three months prior to the stated maturity of the notes).

"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 Par Call Date 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 comparable maturity to the Par Call Date; *provided, however*, that, if the Par Call Date 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 to the Par Call Date 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 paying agent obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations.

"Reference German Bund Dealer" means each of Barclays Bank PLC, Merrill Lynch International, J.P. Morgan Securities plc, UBS AG London Branch, Banco Santander, S.A. and UniCredit Bank AG, 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 paying agent (in consultation with us), 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 paying agent by such Reference German Bund Dealer at 3:30 p.m. (Frankfurt, Germany time) on the third business day preceding such redemption date.

"Remaining Payments" means the remaining payments of principal of and interest on the notes that would be due after the related redemption date as if the notes were redeemed on the Par Call Date. If the redemption date is not an interest payment date, the amount of the next succeeding scheduled interest payment on the notes will be reduced by the amount of interest accrued on the notes to 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 and (unless the redemption date shall be an interest payment date) accrued and unpaid interest thereon to the redemption date on the notes to be redeemed on such date. If less than all of the outstanding notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Tax Redemption

We will have the right to redeem the notes upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional interest on the notes in respect of withholding taxes at a rate in excess of 4.9%, in which case we may redeem the outstanding notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid 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 that affect our ability to incur liens to secure debt, enter into sale and leaseback transactions, 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.

Notices

As long as the notes are represented by a global security deposited with a 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.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the notes or the indenture (subject to the exceptions described in the accompanying prospectus), we have appointed CT Corporation System, with an office at 28 Liberty Street, New York, New York 10005, United States of America, as process agent.

SUPPLEMENTAL EUROPEAN UNION TAX CONSIDERATIONS

The Proposed Financial Transaction Tax

The European Commission has published a proposal (the “Commission’s Proposal”) for a Directive for a common financial transaction tax (“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 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 EU 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.

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 the notes set forth below.

Underwriter	Principal Amount of Notes
Barclays Bank PLC	€ 350,000,000
Merrill Lynch International	€ 350,000,000
J.P. Morgan Securities plc	€ 75,000,000
UBS AG London Branch	€ 75,000,000
Banco Santander, S.A.	€ 75,000,000
UniCredit Bank AG	€ 75,000,000
Total	€ 1,000,000,000

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them. The underwriting agreement provides that the obligations of the underwriters to purchase the notes are subject to approval of legal matters by their counsel, including the validity of the notes, and to other conditions, such as the receipt by the underwriters of officer's certificates and legal opinions. 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. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

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 not, however, obligated to do so and may discontinue making a secondary market for the notes at any time without notice. We can provide no assurance concerning the liquidity of, or the development or continuation of trading markets for, the notes. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

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 this offering, Barclays Bank PLC in its role as stabilizing manager (in such capacity, the "Stabilizing Manager") (or persons acting on behalf of the Stabilizing Manager), may over-allot or effect transactions which stabilize or maintain the market price of the notes at levels which might not otherwise prevail. However, stabilization may not necessarily occur. This stabilizing, if commenced, may be discontinued at any time. There is no assurance that the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and rules.

Selling Restrictions

The notes are offered for sale only in those jurisdictions where it is lawful to make such offers.

Prohibition of sales to EEA retail investors

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus supplement has been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This prospectus supplement is not a prospectus for the purposes of the Prospectus Regulation.

MIFID II product governance / professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

United Kingdom

In the United Kingdom, this prospectus supplement and the accompanying prospectus are being distributed only to, and are directed only at, persons who are "qualified investors" (as defined in the Prospectus Regulation) who are (i) persons having 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"), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute them (all such persons together being referred to as "relevant persons"). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. This prospectus supplement, the accompanying prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement, the accompanying prospectus or their contents. The notes are not being offered to the public in the United Kingdom.

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 the notes may not be offered or sold, 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, the notes were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus supplement and the accompanying prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 (as defined in Section 4A of the SFA)) 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 of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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.

Switzerland

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 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 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

The offer of the notes began on June 19, 2019 and the notes will not be registered under Chilean Securities Market Law (Law No. 18,045, as amended) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Commission for the Financial Markets (*Comisión para el Mercado Financiero*, or the "CMF") and, therefore, the notes are not subject to the supervision of the CMF. Because the notes are unregistered securities, we are not required to disclose public information about the notes in Chile. Accordingly, the notes cannot and will not be offered or sold to persons unless they are registered in the corresponding securities registry. The notes may only be offered in Chile in circumstances which have not resulted and will not result in a public offering under Chilean law or in compliance with Norma de Carácter General (Rule) No. 336, dated June 27, 2012 of the CMF.

La oferta de las notas empezó el 19 de junio de 2019 y las notas que se ofrecen no se registrarán al amparo de la Ley de Mercado de Valores de Chile (Ley No. 18,045 y sus correspondientes modificaciones) en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero (la "CMF"), por lo que tales valores no están sujetos a la fiscalización de la CMF. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. En consecuencia, las notas no pueden y no serán ofrecidos o vendidos a personas, salvo que se encuentren inscritos en el registro correspondiente. Las notas sólo pueden ser ofrecidos en Chile en circunstancias que no han resultado y que no darán lugar a una oferta pública bajo la ley chilena o siempre que se acojan a la Norma de Carácter General Nº 336, de fecha 27 de junio de 2012 de la CMF.

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.

T+5 Settlement

We expect that delivery of the notes will be made against payment therefor on or about June 26, 2019, which is the fifth U.S. business day following the date hereof (this settlement cycle being referred to as "T+5"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to the trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the delivery of the notes hereunder may be required, because the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

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 included in our 2018 Form 20-F, and the effectiveness of our internal control over financial reporting as of December 31, 2018, 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 report included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report 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
0.750% Senior Notes due 2027	XS2006277508	200627750

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 prospectus supplement, 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 prospectus supplement and in the documents incorporated by reference, since December 31, 2018, 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 more information about our corporate structure, names and functions of the directors see "Part I: Information on the Company" and "Part V: Corporate Governance" in our 2018 Form 20-F.

7. We accept responsibility for the information contained in this prospectus supplement. All exchange rate information contained in this prospectus supplement has been extracted from information published by *Banco de México* and published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*). We confirm that such information has been accurately reproduced and that, so far as we are aware, no facts have been omitted which would render the reproduced inaccurate or misleading.

8. 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 Banque Internationale à Luxembourg SA, our Luxembourg listing agent, at its office at 69, route d'Esch, L-2953 Luxembourg:

    - our audited consolidated financial statements as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018, and related notes thereto; and
    - our unaudited consolidated financial information as of March 31, 2019, and for the three months ended March 31, 2018 and 2019, and related notes thereto.

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 quarterly 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, this prospectus supplement, the base indenture, dated as of October 1, 2018, the third supplemental indenture, dated as of June 26, 2019, and a copy of our articles of incorporation will be available at the offices of Citibank, N.A. and of our Luxembourg listing agent.

The trustee for the notes is Citibank, N.A., having its office at 388 Greenwich St. 6th Floor, New York, NY 10013, Attention: James Polcari. The terms and conditions of our appointment of Citibank, N.A. as trustee, including the terms and conditions under which Citibank, N.A. may be replaced as trustee, are contained in the base indenture, dated as of October 1, 2018, and the third supplemental indenture, dated as of June 26, 2019, available for inspection at the offices of Citibank, N.A. and of our Luxembourg listing agent.

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.

We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution. This prospectus may not be used to offer and sell securities unless accompanied by a prospectus supplement.

Investment in the securities involves risks. See "Risk Factors" beginning on page 4 of this prospectus and the "Risk Factors" section in any applicable prospectus supplement, for a discussion of the factors you should consider carefully before deciding to purchase our securities.

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.

October 1, 2018

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We are responsible for the information contained in this prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein and therein. We have not authorized any person to provide 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 or jurisdiction 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 process, América Móvil, S.A.B. de C.V. may from time to time offer and sell debt securities or warrants to purchase debt securities in one or more offerings.

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, which includes this prospectus, that we filed with the SEC also 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 accompanying 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 foregoing statements.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. 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 by reference in this prospectus 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. We are 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 the Americas and seven countries in Central and Eastern Europe. As of June 30, 2018, we had 279 million wireless subscribers and 83.4 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, Mexico City, Mexico. 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 by reference in this prospectus 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. 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.

Some of our outstanding debt securities that were issued in the Mexican and international markets are 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. In addition, some securities we have issued in the Mexican and international markets provide for a covenant and events of default relating to Telcel (specifically, relating to our continued control of Telcel and to defaults or insolvency events involving Telcel) that are not included in our debt securities offered by this prospectus.

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 a prospectus supplement with respect to 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 October 1, 2018 (the "base indenture"), and supplemental indentures relating to particular series of debt securities (collectively, the "indenture"). The indenture is an agreement among us, Citibank, N.A., as trustee, registrar and transfer agent, and Citibank, N.A., London Branch, as paying agent, and any other applicable party thereto.

Some of our outstanding debt securities that were issued in the Mexican and international markets are guaranteed by Telcel. In addition, some securities we have issued in the Mexican and international markets provide for a covenant and events of default relating to Telcel (specifically, relating to our continued control of Telcel and to defaults or insolvency events involving Telcel) that are not included in our debt securities offered by this prospectus.

This 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 indenture relating to each series of debt securities with the SEC. Upon request, we will provide you with a copy of the indenture and supplemental indentures. 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 not to 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 the rights of holders against us if we default in respect of the debt securities. There are some limitations on the extent to which the trustee acts on behalf of holders, 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, holders 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. Some of our outstanding debt securities that were issued in the Mexican and international markets are 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. In addition, some securities we have issued in the Mexican and international markets provide for a covenant and events of default relating to Telcel (specifically, relating to our continued control of Telcel and to defaults or insolvency events involving Telcel) that are not included in our debt securities offered by this prospectus.

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, the date on which interest will 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 London. *(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, London 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 London. We may also choose to act as our own paying agent. Initially, we have appointed Citibank, N.A., London Branch, at its corporate trust office in London, as a paying agent. We must notify holders 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; 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 laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation) 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 laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation), (b) we cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on our own through reasonable diligence and (c) we otherwise would meet the requirements for application of the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation).

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 Mexican 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 the debt securities. In addition, holders will not be entitled to require us to repurchase their debt securities from them 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 holders accrued and unpaid interest, if any, through the redemption date. Debt securities will stop bearing interest on the redemption date, even if holders do not collect their 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 inherent in the applicable lease, 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 (as determined in good faith by us in accordance with IFRS). *(Section 101)*

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, or any transaction in which we sell or otherwise dispose of less than substantially all our assets.

Defaults, Remedies and Waiver of Defaults

Holders will have special rights if an event of default with respect to the debt securities they 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 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 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 file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to us.

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, 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 indemnity and/or security, from expenses and liability. If the trustee receives an indemnity and/or security that is 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 holders bypass the trustee and bring their own lawsuit or other formal legal action or take other steps to enforce their rights or protect their interests relating to the debt securities, the following must occur:

- such holders 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 and/or security 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)*

Holders will be entitled, however, at any time to bring a lawsuit for the payment of money due on their 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 curing any ambiguity, defect or inconsistency, making changes to conform the provisions contained in the indentures to the description of debt securities contained in this prospectus or an applicable prospectus supplement and making changes that do not adversely affect the rights of holders of the debt securities in any material respect, such as adding covenants, additional events of default, collateral or successor trustees. *(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 with the trustee in trust or the paying agent or set aside (if we act as our own paying agent) 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 holders 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 the depositary, 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

Citibank, N.A. is initially serving as the trustee for the debt securities. Citibank, N.A. 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.

Holders 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 their identity and the number of warrants to be exercised. Once holders 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 such holders in authorized denominations or share amounts. If holders exercise less than all of the warrants evidenced by their warrant certificate, holders will be issued a new warrant certificate for the remaining amount of warrants.

FORM OF DEBT 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 holders 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 London.

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

- holders 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 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 Income Tax Law (*Ley del Impuesto sobre la Renta*) and rules and regulations thereunder, as currently in effect, of the purchase, ownership and disposition of the 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*) 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 and (3) the relevant interest income is exempt from taxation in such country.

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, nonresident alien individuals present in the United States for more than 182 days in a taxable year, 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.

U.S. holders that use an accrual method of accounting for tax purposes (“accrual method holders”) generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements (the “book/tax conformity rule”). The application of the book/tax conformity rule thus may require the accrual of income earlier than would be the case under the general tax rules described below, although it is not clear to what types of income the book/tax conformity rule applies. This rule generally is effective for tax years beginning after December 31, 2017 or, for debt securities issued with original issue discount, for tax years beginning after December 31, 2018. Accrual method holders should consult with their tax advisors regarding the potential applicability of the book/tax conformity rule to their particular situation.

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.

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, 2017, and the effectiveness of América Móvil, S.A.B. de C.V.'s internal control over financial reporting as of December 31, 2017, 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, 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 and at our website at www.americamovil.com. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, even if it might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this prospectus.

INCORPORATION OF CERTAIN INFORMATION 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, 2017, filed with the SEC on April 26, 2018 (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, Mexico City, Mexico, Attention: Investor Relations, telephone (5255) 2581-4449.

Annex A

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

Consolidated Financial Statements

Years Ended December 31, 2016, 2017 and 2018
with Report of Independent Registered Public Accounting Firm

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

Consolidated Financial Statements

Years Ended December 31, 2016, 2017, and 2018

Contents:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of América Móvil, S.A.B. de C.V. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2018 and 2017, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, 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) (PCAOB), the Company´s internal control over financial reporting as of December 31, 2018, 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 11, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company´s management. Our responsibility is to express an opinion on the Company´s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ MANCERA, S.C.

We have served as the Company´s auditor since 1993.

Mexico City, Mexico
April 11, 2019

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

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	Note		At December 31, 2017		2018		2018 Millions of U.S. dollars
Assets							
Current assets:							
Cash and cash equivalents	3	Ps.	24,270,473	**Ps.**	**21,659,962**	**US$**	**1,100**
Equity investments at fair value through OCI and other short-term investments	4		59,120,676		**49,015,934**		**2,490**
Accounts receivable:							
Subscribers, distributors, recoverable taxes, contract assets and other, net	5		193,776,144		**216,226,920**		**10,986**
Related parties	6		868,230		**1,263,605**		**64**
Derivative financial instruments	7		8,037,384		**5,287,548**		**269**
Inventories, net	8		38,809,565		**40,305,362**		**2,048**
Other current assets, net	9		17,352,746		**15,296,193**		**777**
Total current assets		Ps.	342,235,218	**Ps.**	**349,055,524**	**US$**	**17,734**
Non-current assets:							
Property, plant and equipment, net	10	Ps.	676,343,198	**Ps.**	**640,000,720**	**US$**	**32,516**
Intangibles, net	11		143,539,626		**122,137,703**		**6,205**
Goodwill	11		151,463,232		**145,566,497**		**7,396**
Investments in associated companies			3,735,172		**3,132,707**		**159**
Deferred income taxes	13		116,571,349		**111,186,768**		**5,649**
Accounts receivable, subscriber, distributors and contract assets, net	5		9,786,581		**15,681,872**		**797**
Other assets, net	9		42,537,476		**42,461,601**		**2,157**
Total assets		Ps.	1,486,211,852	**Ps.**	**1,429,223,392**	**US$**	**72,613**
Liabilities and equity							
Current liabilities:							
Short-term debt and current portion of long-term debt	14	Ps.	51,745,841	**Ps.**	**96,230,634**	**US$**	**4,889**
Accounts payable	15a		212,673,407		**221,957,267**		**11,277**
Accrued liabilities	15b		67,752,758		**56,433,691**		**2,867**
Income tax			9,362,009		**19,232,191**		**977**
Other taxes payable			24,387,484		**23,979,334**		**1,218**
Derivative financial instruments	7		10,602,539		**13,539,716**		**688**
Related parties	6		2,540,412		**2,974,213**		**151**
Deferred revenues			34,272,047		**32,743,843**		**1,664**
Total current liabilities		Ps.	413,336,497	**Ps.**	**467,090,889**	**US$**	**23,731**
Non-current-liabilities:							
Long-term debt	14	Ps.	646,139,058	**Ps.**	**542,691,819**	**US$**	**27,572**
Deferred income taxes	13		11,997,364		**24,573,441**		**1,248**
Income tax			8,622,500		**7,891,042**		**401**
Deferred revenues			3,183,727		**3,239,301**		**165**
Derivative financial instruments	7		3,756,921		**3,567,863**		**181**
Asset retirement obligations	15c		18,245,129		**15,971,601**		**811**
Employee benefits	17		120,297,139		**118,325,014**		**6,012**
Total non-current liabilities		Ps.	812,241,838	**Ps.**	**716,260,081**	**US$**	**36,390**
Total liabilities		Ps.	1,225,578,335	**Ps.**	**1,183,350,970**	**US$**	**60,121**
Equity:							
Capital stock	19	Ps.	96,338,508	**Ps.**	**96,338,378**	**US$**	**4,895**
Retained earnings:							
Prior years			141,761,677		**184,689,288**		**9,383**
Profit for the year			29,325,921		**52,566,197**		**2,670**
Total retained earnings			171,087,598		**237,255,485**		**12,053**
Other comprehensive loss items			(73,261,794)		**(137,598,218)**		**(6,990)**
Equity attributable to equity holders of the parent			194,164,312		**195,995,645**		**9,958**
Non-controlling interests			66,469,205		**49,876,777**		**2,534**
Total equity			260,633,517		**245,872,422**		**12,492**
Total liabilities and equity		Ps.	1,486,211,852	**Ps.**	**1,429,223,392**	**US$**	**72,613**

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)

	Note	2016	2017	2018	2018 Millions of U.S. dollars, except for earnings per share
Operating revenues:					
Revenues services		Ps. 831,885,365	Ps. 878,411,323	**Ps. 863,647,642**	**US$ 43,878**
Sales of equipment		143,527,123	143,222,212	**174,560,039**	**8,869**
		Ps. 975,412,488	Ps. 1,021,633,535	**Ps. 1,038,207,681**	**US$ 52,747**
Operating costs and expenses:					
Cost of sales and services		485,060,579	496,335,746	**508,822,430**	**25,851**
Commercial, administrative and general expenses		228,101,116	240,634,431	**227,192,478**	**11,543**
Other expenses		4,114,562	24,345,113	**6,923,022**	**352**
Depreciation and amortization	9,10 and 11	148,525,921	160,174,942	**155,712,580**	**7,911**
		Ps. 865,802,178	Ps. 921,490,232	**Ps. 898,650,510**	**US$ 45,657**
Operating income		Ps. 109,610,310	Ps. 100,143,303	**Ps. 139,557,171**	**US$ 7,090**
Interest income		4,192,595	2,925,648	**10,646,169**	**541**
Interest expense		(33,862,012)	(30,300,781)	**(31,771,433)**	**(1,614)**
Foreign currency exchange loss, net		(40,427,407)	(13,818,951)	**(7,261,956)**	**(369)**
Valuation of derivatives, interest cost from labor obligations and other financial items, net	21	(16,225,841)	(1,943,760)	**(10,176,316)**	**(517)**
Equity interest in net result of associated companies		189,950	91,385	**267**	**—**
Profit before income tax		23,477,595	57,096,844	**100,993,902**	**5,131**
Income tax	13	11,398,856	24,941,511	**46,477,079**	**2,361**
Net profit for the year		Ps. 12,078,739	Ps. 32,155,333	**Ps. 54,516,823**	**US$ 2,770**
Net profit for the year attributable to:					
Equity holders of the parent		Ps. 8,649,427	Ps. 29,325,921	**Ps. 52,566,197**	**US$ 2,670**
Non-controlling interests		3,429,312	2,829,412	**1,950,626**	**100**
		Ps. 12,078,739	Ps. 32,155,333	**Ps. 54,516,823**	**US$ 2,770**
Basic and diluted earnings per share attributable to equity holders of the parent		Ps. 0.13	Ps. 0.44	**Ps. 0.79**	**US$ 0.04**
Other comprehensive income (loss) items:					
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent years:					
Effect of translation of foreign entities		Ps. 107,498,708	Ps. (18,309,877)	**Ps. (64,314,032)**	**US$ (3,268)**
Effect of fair value of derivatives, net of deferred taxes		49,129	12,292	**—**	**—**
Items that will not be reclassified to (loss) or profit in subsequent years:					
Re-measurement of defined benefit plan, net of deferred taxes		14,773,399	(7,046,089)	**757,278**	**38**
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes		(6,673,731)	622,424	**(3,765,688)**	**(191)**
Total other comprehensive income (loss) items for the year, net of deferred taxes	20	115,647,505	(24,721,250)	**(67,322,442)**	**(3,421)**
Total comprehensive income (loss) for the year		Ps. 127,726,244	Ps. 7,434,083	**Ps. (12,805,619)**	**US$ (651)**
Comprehensive income (loss) for the year attributable to:					
Equity holders of the parent		Ps. 120,974,842	Ps. 1,201,698	**Ps. (11,770,227)**	**US$ (598)**
Non-controlling interests		6,751,402	6,232,385	**(1,035,392)**	**(53)**
		Ps. 127,726,244	Ps. 7,434,083	**Ps. (12,805,619)**	**US$ (651)**

For the year ended December 31

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 Shareholders' Equity

For the year ended December 31, 2016, 2017 and 2018

(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Unrealized gain (loss) on equity investment at fair value	Re-measurement of defined benefit plans	Cumulative translation adjustment
Balance at December 31, 2015	Ps. 96,338,477	Ps. 358,440	Ps. 171,972,999	Ps. (60,788)	Ps. 4,011	Ps. (82,844,947)	Ps. (73,490,19
Net profit for the year	—	—	8,649,427	—	—	—	—
Effect of fair value of derivatives, net of deferred taxes	—	—	—	48,496	—	—	—
Unrealized loss on equity investments at fair value, net of deferred taxes	—	—	—	—	(6,673,731)	—	—
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	—	14,771,770	—
Effect of translation of foreign entities	—	—	—	—	—	—	104,178,88
Comprehensive income (loss) for the year	—	—	8,649,427	48,496	(6,673,731)	14,771,770	104,178,88
Dividends declared	—	—	(18,339,294)	—	—	—	—
Stock dividend (Note 19)	1,512	—	4,606,274	—	—	—	—
Repurchase of shares	(2,475)	—	(7,213,397)	—	—	—	—
Partial sale of shares of Telekom Austria (Note 12)	—	—	—	—	—	68,127	(1,139,19
Other acquisitions of non-controlling interests (Note 12)	—	—	(2,319,149)	—	—	—	—
Balance at December 31, 2016	96,337,514	358,440	157,356,860	(12,292)	(6,669,720)	(68,005,050)	29,549,49
Net profit for the year	—	—	29,325,921	—	—	—	—
Effect of fair value of derivatives, net of deferred taxes	—	—	—	12,292	—	—	—
Unrealized gain on equity investments at fair value, net of deferred taxes	—	—	—	—	622,424	—	—
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	—	(7,075,606)	—
Effect of translation of foreign entities	—	—	—	—	—	—	(21,683,33
Comprehensive income (loss) for the year	—	—	29,325,921	12,292	622,424	(7,075,606)	(21,683,33
Dividends declared	—	—	(19,815,470)	—	—	—	—
Stock dividend (Note 19)	1,264	—	4,902,818	—	—	—	—
Repurchase of shares	(270)	—	(1,040,686)	—	—	—	—
Other acquisitions of non-controlling interests (Note 12)	—	—	(285)	—	—	—	—
As of January 1 2018	96,338,508	358,440	170,729,158	—	(6,047,296)	(75,080,656)	7,866,15
Effect of adoption of new accounting standards (Note 2i)	—	—	19,598,349	—	—	—	—
As of January 1 2018 (restated)	96,338,508	358,440	190,327,507	—	(6,047,296)	(75,080,656)	7,866,15
Net profit for the year	**—**	**—**	**52,566,197**	**—**	**—**	**—**	**—**
Unrealized loss on equity investments at fair value, net of deferred taxes	**—**	**—**	**—**	**—**	**(3,765,688)**	**—**	**—**
Remeasurement of defined benefit plan, net of deferred taxes	**—**	**—**	**—**	**—**	**—**	**652,722**	**—**

	Capital stock	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Unrealized gain (loss) on equity investment at fair value	Re-measurement of defined benefit plans	Cumulative translation adjustment
Effect of translation of foreign entities	—	—	—	—	—	—	(61,223,45)
Comprehensive income (loss) for the year	—	—	52,566,197		(3,765,688)	652,722	(61,223,45)
Dividends declared	—	—	(21,134,520)	—	—	—	—
Hyperinflation adjustment (Note 2i)	—	—	15,826,934	—	—	—	—
Repurchase of shares	(130)	—	(518,633)	—	—	—	—
Redemption of hybrid bond (Note 19)	—	—	—	—	—	—	—
Other acquisitions of non-controlling interests	—	—	(170,440)	—	—	—	—
Balance at December 31, 2018	Ps. 96,338,378	Ps. 358,440	Ps. 236,897,045	Ps. —	Ps. (9,812,984)	Ps. (74,427,934)	Ps. (53,357,3)

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)

	Note	For the year ended December 31 2016	2017	**2018**	2018 Millions of U.S. dollars
Operating activities					
Profit before income tax		Ps. 23,477,595	Ps. 57,096,844	**Ps. 100,993,902**	**US$ 5,131**
Items not requiring the use of cash:					
Depreciation	10	127,662,344	135,206,080	**129,115,727**	**6,560**
Amortization of intangible and other assets	9 and 11	20,863,577	24,968,862	**26,596,853**	**1,351**
Equity interest in net income of associated companies		(189,950)	(91,385)	**(267)**	**—**
Loss on sale of property, plant and equipment		8,059	145,225	**664,777**	**34**
Net period cost of labor obligations	17	14,240,271	13,636,182	**13,989,100**	**711**
Foreign currency exchange loss, net		34,049,726	11,699,985	**6,148,612**	**312**
Interest income		(4,192,595)	(2,925,648)	**(10,646,169)**	**(541)**
Interest expense		33,862,012	30,300,781	**31,771,433**	**1,614**
Employee profit sharing		2,235,267	1,751,312	**1,500,342**	**76**
Loss (gain) in valuation of derivative financial instruments, capitalized interest expense and other, net		85,216	(19,010,851)	**(7,518,445)**	**(382)**
Gain on net monetary positions	21	—	—	**(4,429,145)**	**(225)**
Working capital changes:					
Subscribers, distributors, recoverable taxes, contract assets and other, net		(14,192,651)	1,799,095	**(15,420,291)**	**(783)**
Prepaid expenses		792,979	4,588,584	**3,264,685**	**166**
Related parties		829,632	(558,651)	**38,426**	**2**
Inventories		3,076,159	(2,991,009)	**(3,232,136)**	**(164)**
Other assets		(2,944,581)	(4,763,394)	**(6,081,740)**	**(309)**
Employee benefits		(5,384,944)	(14,692,218)	**(14,235,549)**	**(723)**
Accounts payable and accrued liabilities		18,196,349	5,190,137	**23,997,632**	**1,219**
Employee profit sharing paid		(3,297,439)	(1,471,946)	**(1,013,799)**	**(52)**
Financial instruments and other		28,878,632	1,515,668	**5,286,290**	**269**
Deferred revenues		(972,376)	(452,913)	**38,243**	**2**
Interest received		3,239,845	819,940	**1,215,800**	**62**
Income taxes paid		(44,525,073)	(23,988,305)	**(33,713,753)**	**(1,713)**
Net cash flows provided by operating activities		Ps. 235,798,054	Ps. 217,772,375	**Ps. 248,330,528**	**US$ 12,617**
Investing activities					
Purchase of property, plant and equipment		(138,707,157)	(119,185,137)	**(143,888,033)**	**(7,310)**
Acquisition of intangibles		(16,316,738)	(17,538,541)	**(7,933,647)**	**(403)**
Dividends received	21	5,740,092	2,385,559	**2,622,237**	**133**
Proceeds from sale of plant, property and equipment		115,600	133,349	**178,532**	**9**
Acquisition of businesses, net of cash acquired		(1,823,813)	(6,878,793)	**(310,604)**	**(16)**
Partial sale of shares of associated company		—	340,040	**548,484**	**28**
Investments in associate companies		(3,487)	—	**—**	**—**
Net cash flows used in investing activities		Ps. (150,995,503)	Ps. (140,743,523)	**Ps. (148,783,031)**	**US$ (7,559)**
Financing activities					
Loans obtained		64,281,631	143,607,726	**155,263,221**	**7,888**
Repayment of loans		(125,672,444)	(171,041,215)	**(189,314,144)**	**(9,618)**
Interest paid		(32,125,872)	(31,196,441)	**(30,869,017)**	**(1,568)**
Repurchase of shares		(7,021,247)	(1,233,371)	**(511,421)**	**(26)**
Dividends paid		(13,809,957)	(16,091,390)	**(22,369,793)**	**(1,137)**
Derivative financial instruments		(351,213)	(71,474)	**—**	**—**
Partial sale of shares in subsidiary		6,323,336	—	**—**	**—**
Redemption of hybrid bond		—	—	**(13,440,120)**	**(683)**
Acquisition of non-controlling interests		(2,280,278)	(11,930)	**(115,821)**	**(6)**
Net cash flows used in financing activities		Ps. (110,656,044)	Ps. (76,038,095)	**Ps. (101,357,095)**	**US$ (5,150)**
Net (decrease) increase in cash and cash equivalents		Ps. (25,853,493)	Ps. 990,757	**Ps. (1,809,598)**	**US $ (92)**
Adjustment to cash flows due to exchange rate fluctuations, net		3,911,844	61,333	**(800,913)**	**(41)**
Cash and cash equivalents at beginning of the year		45,160,032	23,218,383	**24,270,473**	**1,233**
Cash and cash equivalents at end of the year		Ps. 23,218,383	Ps. 24,270,473	**Ps. 21,659,962**	**US$ 1,100**
Non-cash transactions related to:					
Acquisitions of property, plant and equipment in accounts payable at end year		Ps. 13,497,804	Ps. 18,869,210	**Ps. 19,099,066**	**US$ 970**
Redemption of exchangeable bond		—	—	**16,446,262**	**836**
Non-cash transactions		Ps. 13,497,804	Ps. 18,869,210	**Ps. 35,545,328**	**US$ 1,806**

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

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

Notes to Consolidated Financial Statements

Years ended December 31, 2016, 2017 and 2018

(In thousands of Mexican pesos [Ps.] and thousands of
U.S. dollars [US$], unless otherwise indicated)

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 Latin America, the United States, the Caribbean and Europe. These telecommunications services include mobile and fixed-line voice services, wireless and fixed data services, internet access and Pay TV, over the top and other related services. The Company also sells equipment, accessories and computers.

- 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.
- Data services include 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.
- AMX provides other related services to advertising in telephone directories, publishing and call center services.
- The Company also provides video, audio and other media content that is delivered through the internet directly from the content provider to the end user.

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 voice and data services) 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 24 countries where it has networks, and such licenses have different dates of expiration through 2056.

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, Mexico City, Mexico.

The accompanying consolidated financial statements were approved for their issuance by the Company's Chief Financial Officer on April 9, 2019, and subsequent events have been considered through that date.

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, the trust assets of post-employment and other employee benefit plans and the investments in equity at fair value through OCI which are presented at their market value.

Effectively July 1, 2018, the Argentinian economy is considered to be hyperinflationary in accordance with the criteria in *IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29")*. Accordingly, for the Argentina subsidiaries, we have included, adjustments for hyperinflation and reclassifications as is required by the standard for purposes of presentation of IFRS in the consolidated financial statements.

The preparation of these consolidated financial statements under IFRS requires the use of critical estimates and assumptions that affect the amounts reported for certain assets, liabilities, 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) Changes in Accounting Policies and Disclosures

The Company applied IFRS 15 *"Revenue from Contracts with Customers"* (IFRS 15) and IFRS 9 "*Financial Instruments"* (IFRS 9) for the first time effective January 1, 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2018 are consistent with those used in the preparation of the Company´s consolidated annual financial statements for the years ended December 31, 2017 and 2016, with the exception of the following new standards and amendments to existing standards issued by the IASB, which were mandatory for annual periods beginning on or after January 1, 2018:

a) IFRS 15 Revenue from contract with customer

In May 2014, the *IASB issued the new standard IFRS 15*. The new standard for revenue recognition aims at standardizing the multitude of regulations previously included in various standards, and may require more judgment and estimates than with the revenue recognition processes that were required under the previously existing revenue recognition standards

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

IFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application on January 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as of January 1, 2018.

The cumulative effect of initially applying IFRS 15 was recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations. The most significant changes in the implementation of IFRS 15 are the earlier recognition of revenue from the sale of goods, and the capitalization and deferral of the incremental contracts acquisition costs over the expected period of benefit.

The effect of adopting IFRS 15 as of January 1, 2018 was, as follows:

	Reference	Increase
Assets:		
Subscribers, distributors, recoverable taxes, contract assets and other, net	(a), (b), (c)	**Ps. 31,261,436**
Liabilities:		
Current liabilities	(c)	**Ps. 562,651**
Deferred income taxes	(d)	**8,725,841**
		Ps. 9,288,492
Equity:		
Retained earnings	(a), (b), (c), (d)	**21,454,504**
Non-controlling interests		**518,440**
Total equity		**21,972,944**
Total liabilities and equity		**Ps. 31,261,436**

Set out below are, the impacts of adopting IFRS 15 on the Company´s consolidated financial statements for the year ended December 31, 2018:

	Reference	As reported	Figures without adoption of IFRS 15	Adjustments
Operating revenues:				
Revenues services	(a), (b)	Ps. 863,647,642	Ps. 881,530,167	Ps. (17,882,525)
Sales of equipment	(a), (b)	174,560,039	158,721,765	15,838,274
		1,038,207,681	1,040,251,932	(2,044,251)
Operating costs and expenses:				
Cost of sales and services		Ps. 508,822,430	Ps. 509,100,174	Ps. (277,744)
Commercial, administrative and general and other expenses	(c)	234,115,500	240,010,631	(5,895,131)
Depreciation and amortization		155,712,580	155,712,580	—
		898,650,510	904,823,385	(6,172,875)
		139,557,171	135,428,547	4,128,624
Financial items, net		38,563,536	38,356,359	207,177
Equity interest in net result of associated companies		267	267	—
Income tax	(d)	46,477,079	45,496,698	980,381
Non-controlling interests		(1,950,626)	(1,950,626)	—
Net profit for the year		Ps. 52,566,197	Ps. 49,625,131	Ps. 2,941,066

	Reference	As reported	Balances without adoption of IFRS 15	Adjustments
Assets:				
Current assets:				
Cash and cash equivalents and equity investments at fair value		Ps. 70,675,896	Ps. 70,675,896	Ps. —
Subscribers, distributors, recoverable taxes, contract assets and other, net	(a), (b), (c)	216,226,920	185,303,634	30,923,286
Other current assets, net		62,152,708	62,152,708	—
Total current assets		349,055,524	318,132,238	30,923,286
Non-current assets:				
Property, plant and equipment, net		640,000,720	640,000,720	—
Intangibles and other assets, net		424,485,276	424,485,276	—
Subscribers, distributors, recoverable taxes, contract assets and other, net	(a), (b), (c)	15,681,872	10,244,609	5,437,263
Total assets		Ps. 1,429,223,392	Ps. 1,392,862,843	Ps. 36,360,549
Liabilities and equity:				
Current liabilities:				
Short-term debt and current portion of long-term debt		Ps. 96,230,634	Ps. 96,230,634	Ps. —
Accounts payable and other liabilities		338,116,412	337,448,940	667,472
Deferred revenues		32,743,843	32,315,690	428,153
Total current liabilities		467,090,889	465,995,264	1,095,625
Non-current-liabilities:				
Long-term debt		542,691,819	542,691,819	—
Deferred income taxes	(d)	24,573,441	15,382,500	9,190,941
Other liabilities		148,994,821	148,994,821	—
Total liabilities		1,183,350,970	1,173,064,404	10,286,566
Total equity	(d)	245,872,422	219,798,439	26,073,983
Total liabilities and equity		Ps. 1,429,223,392	Ps. 1,392,862,843	Ps. 36,360,549

IFRS 15 Revenues from contracts with customers

IFRS 15 establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The principle core is that an entity should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The most significant changes in the implementation of IFRS 15 are as follows:

a. The Company provides fixed and mobile services. These services are offered independently in contracts with customers or together with the sale of handsets (mobile) under the postpaid model. In accordance with IFRS 15, the transaction price should be assigned to the different performance obligations based on their relative standalone selling price.

   The Company concluded that regarding the provided services, it has market observable information, to determine the standalone selling price of the services. On the other hand, in the case of the sale of bundled mobile phones sold (including service and handset) by the Company, the allocation of the sales is done based on their relative standalone selling price of each individual component related to the total bundled price. The result is that more equipment revenue is recognized at the moment of a sale and, therefore, less service revenue from the monthly fee are being recognized under the new standard.

The Company concluded as well that the provided services are satisfied over the time of the contract period, given that the customer simultaneously receives and consumes the benefits provided by the Company.

Such service bundles, voice and data, accomplish the criteria mentioned in IFRS 15 of being substantially similar and of having the same transfer pattern which is why the Company concluded that the revenue from these different services offered to its customers are considered as a single performance obligation with revenue being recognized over time, except for sales of equipment.

b. Under IFRS 15, for those contracts with customers in which generally the sale of equipment and other electronic equipment is a single performance obligation, the Company recognizes the revenue at the moment when it transfers control to the customer which generally occurs when such goods are delivered. The latter is consistent with the previous accounting policy.

c. The Company pays commissions to its distributors for obtaining new customers; such commissions were expensed as incurred under the previous accounting. Under IFRS 15, commissions are considered incremental contract acquisition costs that are capitalized and are amortized over the expected period of benefit, during the average duration of customer contracts.

d. In addition to the adjustments described above, other items such as deferred taxes and non-controlling interests were adjusted to retained earnings as necessary upon adoption of IFRS 15 as of January 1, 2018.

b) IFRS 9, Financial Instruments

IFRS 9 was issued in July 2014 and replaced IAS 39 *Financial Instruments* and relates to the classification and measurement of financial instruments, impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of January 1, 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39.

The effect of adopting IFRS 9 as of January 1, 2018 was, as follows:

	Adjustments	January 1, 2018
Assets		
Trade receivables	(a)	**Ps. (2,400,783)**
Deferred tax assets	(b)	**544,628**
Total assets		**Ps. (1,856,155)**
Equity		
Retained earnings	(a), (b)	**Ps. (1,856,155)**
Total adjustment on equity		**Ps. (1,856,155)**

IFRS 9 sets out the requirements for recognizing and measuring financial assets and financial liabilities. This new standard includes:

a) Impairment

The adoption of IFRS 9 has fundamentally changed the Company´s accounting for impairment losses for financial assets by replacing IAS 39’s incurred loss approach with a forward-looking expected credit loss approach. IFRS 9 requires the Company to recognize an allowance for expected credit loss for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS 9 the Company recognized an impairment on the Company´s trade receivables at fair value Ps 2,400,783 as of January 1, 2018, which resulted in a decrease in Retained earnings. There were no impairment losses that impacted the carrying amount of debt instruments at fair value through OCI in the statements of financial position, which remains at fair value.

b) Other adjustments

In addition to the adjustments described above, other items such as deferred taxes and non-controlling interests were adjusted to retained earnings as necessary upon adoption of IFRS 9 as of January 1, 2018.

The new requirements of IFRS 9 regarding hedge accounting do not have an effect on the consolidated financial statements as hedge accounting is not applied. The Company continues to consider the hedges to be under IAS 39 as allowed by IFRS 9.

Compared to IAS 39, the application of IFRS 9 had an immaterial effect on the consolidated financial statements in 2018, including classification of financial assets and liabilities.

c) Impact of the application for hyperinflation in Argentina

In the recent years, the Argentina economy has shown high rates of inflation. Although inflation data has not been consistent in recent years and several indexes have coexisted, inflation in Argentina indicates that the three-year cumulative inflation rate recently exceeded 100%, which is the quantitative reference established by IAS 29. As a result, Argentina is considered a hyperinflationary economy in 2018 and the Company applies hyper-inflation accounting to its subsidiary whose functional currency is the Argentine peso for financial information for periods ending on or after July 1, 2018, however the calculation of the accumulative impact was measured as of January 1, 2019.

In order to restate for hyperinflation its financial statements, the subsidiary used the series of indices defined by resolution JG No. 539/18 issued by the “Federación Argentina de Consejos Profesionales de Ciencias Económicas” (FACPCE), based on the National Consumer Price Index (IPC) published by the Instituto Nacional de Estadística y Censos (INDEC) of the Argentine Republic and the Wholesale Internal Price Index (IPIM) published by FACPCE. The cumulative index December 31, 2018 is 184.255, while on an annual inflation for 2018 is 48%.

The main implications are as follows:

- Adjustment of the historical cost of non-monetary assets and liabilities and equity items from their date of acquisition, or the date of inclusion in the consolidated statements of financial position, to the end of the year, in order to reflect changes in the currency’s purchasing power caused by inflation.
- The gain on the net monetary position caused by the impact of inflation in the year is 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*. Items in the income statements and in the statements of cash flows are adjusted by the inflation index since their origination, with a balancing entry, and a reconciling item in the statements of cash flows, respectively.
- All items in the financial statements of the Argentine company are translated at the closing exchange rate, which at December 31, 2018 was 0.5221 argentine pesos per mexican peso.
- Financial information for financial years prior to 2018 are not restated.

The main impact in the consolidated financial statements of the Company in 2018 of applying hyperinflationary accounting under IAS 29 are shown below:

	Impact of the application of hyperinflation adjustments in 2018
Impact in:	
Operating revenues	**Ps. 6,286,140**
Operating loss	**(1,423,252)**
Financial loss	**(1,289,317)**
Gain on net monetary positions	**4,429,145**
Income tax	**(770,928)**
Net profit for the year	**945,647**
Current assets	**1,866,674**
Non-current assets	**19,796,073**
Total liabilities	**4,890,166**
Total equity (i)	**16,772,581**

(i) This total includes the initial effect of hyperinflation of Ps. 15,826,934 and the net effect on results due to the hyperinflation of the year of Ps. 945,647.

ii) Basis of consolidation

The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those subsidiaries over which the Company exercises control. The consolidated financial statements for the subsidiaries were prepared for the same period as the Company´s and applying consistent accounting policies. All of the subsidiary companies operate in the telecommunications sector or related.

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are consolidated on a line by line basis from the date which control is achieved by the Company. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners.

Subsidiaries are deconsolidated from the date which control ceases. When the Company ceases to have control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts, derecognizes the carrying amount of non-controlling interests in the former subsidiary and recognizes the fair value of any consideration received from the transaction. Any retained interest in the former subsidiary is then remeasured to its fair value.

All intra-Company balances and transactions, and any unrealized gains and losses arising from intra-Company transactions, are eliminated in preparing the consolidated financial statements.

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 Company's own equity.

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those decisions.

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 Company 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 at December 31, 2017 and 2018 is as follows:

Company name	Country	Equity interest at December 31 2017	2018
Subsidiaries:			
América Móvil B.V. [a]	Netherlands	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. and subsidiaries ("Telcel") [b]	Mexico	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%**
TracFone Wireless, Inc. ("TracFone") [b]	USA	100.0%	**100.0%**
Claro S.A. (Claro Brasil) [b]	Brazil	97.7%	**98.2%**
Telecomunicaciones de Guatemala, S.A. ("Telgua") [b]	Guatemala	99.3%	**99.3%**
Empresa Nicaragüense de Telecomunicaciones, S.A. ("Enitel") [b]	Nicaragua	99.6%	**99.6%**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. ("CTE") [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 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]	Panamá	100.0%	**100.0%**
Teléfonos de México, S.A.B. de C.V. [b]	Mexico	98.8%	**98.8%**
Telekom Austria AG [b]	Austria	51.0%	**51.0%**

a) Holding companies
b) Operating companies of mobile and fixed services

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

The operating revenues of foreign subsidiaries jointly represent approximately 72%, 74% and 73% of consolidated operating revenues of 2016, 2017 and 2018, respectively, and their total assets jointly represent approximately 81% and 80% of consolidated total assets at December 31, 2017 and 2018, respectively.

The financial statements of foreign subsidiaries have been prepared under or translated to IFRS in the respective local currency (which is their functional currency) and then translated into the Company´s reporting currency as follows:

- all monetary assets and liabilities were translated at the closing exchange rate of the period;
- all non-monetary assets and liabilities at the closing exchange rate of the period;
- equity accounts are translated at the 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 of the period, except for the operations of the subsidiaries in Argentina; whose economy is considered hyperinflationary since 2018;
- the resulting difference from the translation process is recognized in equity in the caption Cumulative translation adjustment;
- the consolidated statements of cash flows presented using the indirect method were translated using the weighted-average exchange rate for the applicable period (except for Argentina), and the resulting difference is shown in the consolidated statements of cash flows under the heading “Adjustment to cash flows due to exchange rate fluctuations, net”.

The basis of translation for the operations of the subsidiaries in Argentina are described in Note 2i, c)

The difference resulting from the translation process is recognized in equity in the caption “Effect of translation of foreign entities”. At December 31, 2017 and 2018, the cumulative translation adjustment was Ps. 7,866,158 and Ps. (53,357,300), respectively.

b) Revenue recognition

The Company revenues are derived principally from providing the following telecommunications services and products: wireless voice, wireless data and value-added services, fixed voice, fixed data, broadband and IT services, Pay TV and over-the-top (“OTT”) services.

The wireless voices services are offered under a variety of plans. In addition, the Company often bundle wireless data telecommunications services together with voices services. Monthly rent in post- paid is billed based on the associated plan o package rates, corresponding to when the services are provided.

As part the wireless data services, the Company offer value-added services that include Internet access, messaging and other wireless entertainment and corporative services, Revenue from such services are recognized at the time they are provided, on the date the installation or when the services are downloaded. In addition, the Company offer other wireless services, including wireless security services, mobile payments solutions, machine-to-machine services, mobile banking, virtual private network (“VPN”) services, video calls and Personal Communication Services (“PCS”).

The fixed voices services include local, domestic and international long-distance and public telephone services, under a variety of plans, specifically tailored to our residential and corporate clients. Revenue from the local services are derived from the monthly rent for services and the long-distances revenues are recognized at the time the service is provided.

The Company offer data services, including data centers, data administration and hosting services to our residential and corporate clients under a variety of plans. These revenues are recognized at the time the service is provided.

The residential broadband access are typically bundled with voice services and are competitively priced as a function of the desired or available speed. As a complement to these services, the Company offer a number of products such as home networking and smart home services. In addition, The Company provide different IT solutions for small business and large corporations.

The Company offer Pay TV through cable and satellite TV subscriptions to both retail and corporate customers under a variety of plans. These services are offered through individual subscription plans as well as in bundled packages of services, along with broadband, fixed voice and wireless services. In addition, the Company sell video, audio and other media content that is delivered through the internet directly from the content provider to the viewer or end user. These revenues are recognized at the time the service is provided.

The Company sells to its customers bundles of different services (fixed line, mobile, broadband internet, streaming and pay TV, among others) which elements are evaluated to determine if it is necessary to separate the different identifiable components and apply the income recognition policy corresponding to each element.

Total package revenue is allocated among the identified elements based on their respective standalone selling prices.

Determining standalone selling prices for each identified element requires estimates that are complex due to the nature of the business. A change in estimates of standalone selling prices could affect the apportionment of revenue among the elements and, as a result, the timing of recognition of revenues.

Transaction prices are allocated to the performance obligations by reference to the relative stand-alone selling prices of the products and services. The stand-alone selling prices of products are based on the market prices whereas the standalone selling prices of services are available separately, as services are also offered on a stand-alone basis, i.e. without hardware.

Some subsidiaries have loyalty programs where the Company awards credits customer credit awards referred as “points”. The customer can redeem accrued “points” for awards such as devices, accessories or airtime. The Company provides all awards. The consideration allocated to the award credits is identified as a separate performance obligation; the corresponding liability of the award credits is measured at its fair value. The consideration allocated to award credits amount is recognized as a contract liability until the points are redeemed. Revenue is recognized upon redemption of products by the customer.

c) Cost of sales

The cost of mobile equipment and computers is recognized at the time the client and distributor receives the device that is when the control is are transferred to the customer.

d) Cost of services

The cost of services represents the costs incurred to properly deliver the services to the customers, it includes the network operating costs and licenses related costs and is accounted at the moment in which such services are provided.

e) Commissions to distributors

The Company pays commissions to its distributors different than those that acquire customers. Such commissions are recognized in “commercial, administrative and general expenses” in the consolidated statements of comprehensive income at the time in which the distributor either reports an activation or reaches certain number of lines activated or obtained at a certain point of time.

f) Cash and cash equivalents

Cash and cash equivalents represent bank deposits and liquid investments with maturities of less than three months. These amounts 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. Restricted cash is presented as part of “Other assets” within other non-current financial assets given that the restrictions are long-term in nature (See Note 9).

g) Equity investments at fair value through OCI and other short-term investments

Equity investments at fair value through OCI and other short-term investments are primarily composed of equity investments and other short-term financial investments. Amounts are initially recorded at their estimated fair value. Fair value adjustments for equity investments are recorded through other comprehensive income, while fair value adjustments for other short-term investments are recorded in the Consolidated Statements of Comprehensive Income as they occur.

h) Inventories

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

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

i) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, which in accordance with IFRS 3, “*Business acquisitions*”, 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. The investment in acquired associates includes goodwill identified on acquisition, net of any impairment loss.

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

The possible loss of value in goodwill is determined by analyzing the recovery value of the cash generating unit (or the group thereof) to which the goodwill is associated at the time it was originated. If this recoverable amount is lower than the carrying value, an impairment loss is charged to the results of operations. The recoverable amount is determined based on the higher of fair value less cost of disposal or value in use.

For the years ended December 31, 2016, 2017 and 2018, no impairment losses were recognized for the goodwill shown in the Company's consolidated statements of financial position.

j) 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 2016, 2017 and 2018 the borrowing costs that were capitalized amounted to Ps. 2,861,307, Ps. 2,875,034 and Ps. 2,020,288 respectively.

In addition to the purchase price and costs directly attributable to preparing an asset in terms of its physical location and condition for operating as intended by management, when required, the cost also includes the estimated costs of dismantling 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 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 other 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:

Network infrastructure	5%-33%
Buildings and leasehold improvement	2%-33%
Other assets	10%-50%

iv) The carrying value of property, plant and equipment is reviewed if there are indicators of impairment in such assets. If an asset's recovery value is less than the asset's net carrying value, the difference is recognized as an impairment loss.

During the years ended December 31, 2016, 2017 and 2018, no impairment losses were recognized.

v) Spare parts for network operation is valued using the average cost method, without exceeding its net realizable value.

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

k) Intangibles

i) Licenses

Licenses to operate wireless telecommunications networks granted by the governments of the countries in which the Company operates are recorded at acquisition cost or at fair value at their acquisition date, net of accumulated amortization. Certain licenses require payments to the governments, such payments are recognized in the cost of service and equipment.

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 3 to 30 years, which represents the usage period of the assets.

The Company has conducted an internal analysis on the applicability of the International Financial Reporting Interpretation Committee ("IFRIC") No. 12 (Service Concession Agreements) and has concluded that its concessions are outside the scope of IFRIC 12. To determine the applicability of IFRIC 12, the Company analyzes each concession or group of similar concessions in a given jurisdiction. As a threshold matter, the Company identifies those government concessions that provide for the development, financing, operation or maintenance of infrastructure used to render a public service, and that set out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes.

With respect to those services, the Company evaluates whether the grantor controls or regulates (i) what services the operator must provide, (ii) to whom it must provide them and (iii) the applicable price (the "Services Criterion"). In evaluating whether the applicable government, as grantor, controls the price at which the Company provides its services, the Company looks at the terms of the concession agreement according to all applicable regulations. If the Company determines that the concession under analysis meets the Services Criterion, then the Company evaluates whether the grantor would hold a significant residual interest in the concession's infrastructure at the end of the term of the arrangement.

ii) Trademarks

Trademarks are recorded at their fair value at the valuation date when acquired. The useful lives of trademarks are assessed as either definite 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 definite is made on a prospective basis.

iii) Irrevocable rights of use

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

The carrying values of the Company's licenses and trademarks 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 is 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 on a 5 year period.

During the years ended December 31, 2016, 2017 and 2018, no impairment losses were recognized for licenses, trademarks, irrevocable rights of use or customer relationships.

l) Impairment in the value of long-lived assets

The Company assesses the existence of indicators of impairment in the carrying value of long-lived assets, investments in associates, goodwill and intangible assets according to IAS 36 "*Impairment of 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 3 to 5 years. For longer periods, beginning in the fifth year, projections are based on such strategic plans while applying a constant or declining expected perpetual growth rate.

Key assumptions used in value in use calculations

The forecasts are made in real terms (net of inflation) and in the functional currency of the subsidiary as of December 31, 2018. Financial forecasts, premises and assumptions are similar to what any other market participant in similar conditions would consider.

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

The assumptions used to develop the financial forecasts were validated for each of the cash generating units ("CGUs"), typically identified by country and by service (in the case of Mexico) taking into consideration the following:

- Current subscribers and expected growth.
- Type of subscribers (prepaid, postpaid, fixed line, multiple services)
- Market environment and penetration expectations
- New products and services
- Economic environment of each country
- Expenses for maintaining the current assets
- Investments in technology for expanding the current assets
- Market consolidation and synergies

The foregoing forecasts could differ from the results obtained through time; however, the Company 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 is determined based on the method of discounted cash flows. The key assumptions used in projecting cash flows are:

- Margin on EBITDA is determined by dividing EBITDA (operating income plus depreciation and amortization) by total revenues.
- Margin on CAPEX is determined by dividing capital expenditures (“CAPEX”) by total revenues.
- Pre-tax weighted average cost of capital (“WACC”) is used to discount the projected cash flows.

As discount rate, the Company uses the WACC which was determined for each of the cash generating units and is described in the 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 size, operations and characteristics of the business that were similar to those of Company.

The discount rates represent 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 Company and its operating segments. The WACC takes into account both debt and equity costs. The cost of equity is derived from the expected return on investment for each GCU. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors.

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

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

The most significant forward-looking estimates used for the 2017 and 2018 impairment evaluations are shown below:

	Average margin on EBITDA	**Average margin on CAPEX**	**Average pre-tax discount rate (WACC)**
2017:			
Europe (7 countries)	25.59% - 52.46%	7.34% - 14.97%	9.06% - 19.04%
Brazil (fixed line, wireless and TV)	35.28%	22.13%	11.71%
Puerto Rico	23.31%	8.31%	4.42%
Dominican Republic	45.79%	15.55%	19.23%
Mexico (fixed line and wireless)	35.48%	8.72%	16.13%
Ecuador	37.83%	10.07%	23.57%
Peru	29.64%	16.75%	13.61%
El Salvador	40.36%	17.99%	25.14%
Chile	22.04%	12.45%	6.15%
Colombia	41.93%	19.88%	19.06%
Other countries	9.16% - 48.18%	0.43% - 23.43%	7.89% - 24.28%

	Average margin on EBIDTA	Average margin on CAPEX	Average pre-tax discount rate (WACC)las
2018:			
Europe (7 countries)	**22.13% - 41.51%**	**8.13% - 19.40%**	**8.36% - 22.08%**
Brazil (fixed line, wireless and TV)	**36.43%**	**21.88%**	**10.38%**
Puerto Rico	**23.86%**	**9.89%**	**4.81%**
Dominican Republic	**48.64%**	**18.43%**	**17.66%**
Mexico (fixed line and wireless)	**36.33%**	**7.93%**	**16.30%**
Ecuador	**39.83%**	**11.26%**	**24.45%**
Peru	**30.29%**	**19.95%**	**11.52%**
El Salvador	**45.36%**	**22.61%**	**18.01%**
Chile	**25.91%**	**14.99%**	**6.62%**
Colombia	**45.01%**	**17.14%**	**20.29%**
Other countries	**7.90% - 45.91%**	**0.61% - 23.96%**	**9.97% - 31.63%**

Sensitivity to changes in assumptions:

The implications of the key assumptions for the recoverable amount are discussed below:

Margin on CAPEX- The Company performed a sensitivity analysis by increasing its CAPEX by 5% and maintaining all other assumptions the same. The sensitivity analysis would require the Company to adjust the amount of its long-lived assets in its CGUs with potential impairment of approximately Ps. 1,558,823

WACC- Additionally, should the Company increase by 50 base points in WACC per CGU and maintain all other assumptions the same, the carrying amount of the long-lived assets, would be impaired by approximately Ps. 1,135,854.

m) Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement and requires the Company to assess if 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 substantially transfer 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 its associated debt are recorded at the lower of the fair value of the leased asset or the present value of the lease payments. Finance lease payments are apportioned between the reduction of lease liability and the finance cost so that a constant interest rate is determined on the outstanding liability balance. Finance costs are charged to results of operations over the life of the agreement.

n) Financial assets and liabilities

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them, with the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

– Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, loans and receivables.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statements of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statements of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income within "Valuation of derivatives, interest cost from labor obligations and other financial items".

Derecognition of financial assets

A financial asset is primarily derecognized 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) 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 passthrough 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 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 its 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 recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For ***some*** trade receivables and contract assets *based on available information*, the Company applies the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a *loss rate approach* that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

— 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 as at fair value through profit or loss. IFRS

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statements of profit or loss.

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 IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the 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 as finance costs in the statements of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, 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 statements of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o) Transactions in foreign currency

Transactions in foreign currency are initially recorded at the prevailing exchange rate at the time of the related transactions. Foreign currency denominated assets and liabilities are subsequently translated at the prevailing exchange rate at the financial statements 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 statements reporting date are charged or credited to the results of operations.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

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

Country or Zone	Currency	Average exchange rate 2016	Average exchange rate 2017	Average exchange rate 2018	Closing exchange rate at December 31, 2017	Closing exchange rate at December 31, 2018
Argentina [1]	Argentine Peso (AR$)	1.2632	1.1489	**0.7311**	1.0610	**0.5221**
Brazil	Real (R$)	5.3868	5.9346	**5.2937**	5.9815	**5.0797**
Colombia	Colombian Peso (COP$)	0.0061	0.0064	**0.0065**	0.0066	**0.0061**
Guatemala	Quetzal	2.4548	2.5755	**2.5591**	2.6940	**2.5440**
U.S.A. [2]	US Dollar	18.6529	18.9400	**19.2397**	19.7867	**19.6829**
Uruguay	Uruguay Peso	0.6206	0.6606	**0.6274**	0.6869	**0.6074**
Nicaragua	Cordoba	0.6515	0.6307	**0.6097**	0.6428	**0.6088**
Honduras	Lempira	0.8109	0.8007	**0.7994**	0.8330	**0.8031**
Chile	Chilean Peso	0.0276	0.0292	**0.0300**	0.0322	**0.0283**
Paraguay	Guaraní	0.0033	0.0034	**0.0034**	0.0035	**0.0033**
Peru	Sol (PEN$)	5.5232	5.8054	**5.8517**	6.0976	**5.8406**
Dominican Republic	Dominican Peso	0.4048	0.3983	**0.3876**	0.4095	**0.3898**
Costa Rica	Colon	0.0338	0.0331	**0.0332**	0.0346	**0.0322**
European Union	Euro	20.6334	21.3649	**22.7101**	23.7539	**22.5586**
Bulgaria	Lev	10.5483	10.9223	**11.6110**	12.1406	**11.5327**
Belarus	New Belarusian Ruble	9.3929	9.8087	**9.4451**	9.9882	**9.1319**
Croatia	Croatian Kuna	2.7392	2.8619	**3.0613**	3.1954	**3.0435**
Macedonia	Macedonian Denar	0.3350	0.3471	**0.3688**	0.3861	**0.3667**
Serbia	Serbian Denar	0.1676	0.1762	**0.1920**	0.2009	**0.1907**

(1) Year-end rates are used for the translation of revenues and expenses if IAS 29 “Financial Reporting in Hyperinflationary Economies” is applied.

Financial reporting in hyperinflationary economies

Financial statements of Argentina subsidiaries are restated before translation to the reporting currency of the Company and before consolidation in order to reflect the same value of money for all items. Items recognized in the statements of financial position which are not measured at the applicable year-end measuring unit are restated based on the general price index. All non-monetary items measured at cost or amortized cost is restated for the changes in the general price index from the date of transaction or the last hyperinflationary calculation to the reporting date. Monetary items are not restated. All items of shareholders' equity are restated for the changes in the general price index since their addition or the last hyperinflationary calculation until the end of the reporting period. All items of 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 operations in financial result in exchange differences. In accordance with IFRS prior year financial statements were not restated.

(2) Includes U.S.A., Ecuador, El Salvador, Puerto Rico and Panama.

As of April 9, 2019, the exchange rate between the US dollar and the Mexican Peso was $18.9701.

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 statements´ 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 for its subsidiaries Puerto Rico Telephone Company, Teléfonos de Mexico, 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, 2018.

Mexico

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. Pensions (for Telmex) and seniority premiums are determined based on the salary of employees in their final year of service, the number of years worked at and their age at the moment of retirement.

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.

Telmex has established an irrevocable trust fund and makes annual contributions to that fund.

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 at 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 ranging from 9 to 12 months of salary. Health care and life insurance benefits are also provided to retirees under a separate plan (post-retirement benefits).

Brazil

Claro Brasil 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

Telekom Austria 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.

For severance and pensions, the subsidiary recognizes actuarial gains and losses in other comprehensive income. The re-measurement of defined benefit plans relates to actuarial gains and losses only as Telekom Austria holds no plan assets. Interest expense related to employee benefit obligations is reported in *"Valuation of derivatives, interests cost from labor obligation and other financial items, net"* in the statements of comprehensive income.

Other subsidiaries

For the rest of the Company's subsidiaries, there are no defined benefit plans or compulsory defined contribution structures. However, certain subsidiaries make contributions to national pension, social security and severance plans in accordance with the percentages and rates established by the applicable social security and labor laws of each country. Such contributions are made to the entities designated by the countries legislation and are recorded as direct labor expenses in the consolidated statements of comprehensive income as they are incurred.

Remeasurements 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 cost 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. The Company has employee profit sharing in Mexico, Ecuador and Peru. In Mexico, employee profit sharing is computed at the rate of 10% on the individual subsidiaries taxable base adjusted for employee profit sharing purposes as provided by law.

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

s) Taxes

Income taxes

Current income tax payable 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 consolidated financial statements 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 statements reporting date. The value of deferred tax assets is reviewed by the Company at each financial statements reporting date and is reduced to the extent that it is more likely 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 statements reporting date and are recognized when it is more likely that there will be sufficient future tax profits to allow for the realization of these assets.

Deferred taxes relating to items recognized in Other Comprehensive Income are recognized together with the concept that generated such deferred taxes. Deferred taxes consequence on unremitted earnings from subsidiaries and associates are considered as temporary differences, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Taxes withheld on remitted foreign earnings are creditable 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, 2017 and 2018, the Company has not provided for any deferred taxes related to unremitted foreign earnings.

The Company offsets tax assets and liabilities 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 tax authorities 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 recognized as incurred. For the years ended December 31, 2016, 2017 and 2018, advertising expenses were Ps. 28,180,538, Ps. 28,718,563 and Ps. 26,255,952 , respectively, and are presented 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. In determining the weighted average number of outstanding shares, 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 16.

ii) Market risk

The Company is exposed to certain market risks derived 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 and euros, 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 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, 2017 and 2018.

iii) Credit risk

Credit risk represents the loss that could be recognized in case the counterparties fail to comply with their 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 generally 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 5% fluctuation in exchange rates:

Interest rate

In the event that the Company's agreed-upon interest rates at December 31, 2018 increased/(decreased) by 100 basis points, the increase in net interest expense would increase/(decrease) by Ps. 32,136,984 and Ps. (31,773,439), respectively.

Exchange rate fluctuations

Should the Company's debt at December 31, 2018 of Ps. 638,922,453, suffer a 5% increase/(decrease) in exchange rates, the debt would increase/(decrease) by Ps. 3,165,958 and Ps. (10,940,798), respectively.

w) Derivative financial instruments

Derivative financial instruments are recognized in the consolidated statements of financial position at fair value. Valuations obtained by the Company are compared against those of the financial institutions with which the agreements are entered into, and it is the Company's policy to compare such fair value to a valuation provided by an independent pricing provider in case of discrepancies. Changes in the fair value of derivatives that do not qualify as hedging instruments are recognized immediately in the line "Valuation of derivatives, interest cost from labor obligations and other financial items, net".

The Company is exposed to interest rate and foreign currency risks, which tries to mitigate through a controlled risk management program that includes the use of derivative financial instruments. The Company principally uses to offset the risk of exchange rate and interest rate fluctuations. Additionally, for the years ended December 31, 2017 certain of the Company's derivative financial instruments had been designated, and had qualified, as cash flow hedges. 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.

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 either:

(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.

(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.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- 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 assets and liabilities, including deferred tax assets and liabilities, as non-current.

y) Presentation of consolidated statements 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 a comparison to the telecommunications industry.

The Company 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 for the years ended December 31, 2016, 2017 and 2018 of Ps. 46,759,415, Ps. 48,696,331 and Ps. 47,671,143, respectively is presented as "Cost of sales and services" and of Ps. 63,691,855, Ps. 66,920,537 and Ps. 67,936,876, respectively is presented in "Commercial, administrative and general expenses".

z) Operating segments

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

The management of the Company 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 in Note 22.

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

Aa) Convenience translation

At December 31, 2018, amounts in U.S. dollars have been included in the consolidated financial statements solely for the convenience of the reader and amounts this translation is not accordance with IFRS have been translated from Mexican pesos at December 31, 2018 at an exchange rate of Ps. 19.6829 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, 2018 or any other exchange rate.

Ab) Significant accounting judgments, estimates and assumptions

In preparing its consolidated financial statements, the Company makes estimates concerning a variety of matters. Some of these matters are highly uncertain, and its estimates involve judgments it makes based on the available information. In the discussion below, the Company has identified several of these matters for which its financial statements would be materially affected if either (1) the Company uses different estimates that it could have reasonably 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 the Company considers most important based on the degree of uncertainty and the likelihood of a material impact had it used a different estimate. There are many other areas in which the Company 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.

Estimated useful lives of plant, property and equipment

The Company currently depreciates most of its network infrastructure based on an estimated useful life determined upon the expected particular conditions of operation 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. The Company reviews estimated useful lives each year to determine, for each particular class of assets, whether they should be changed. The Company may shorten/extend the estimated useful life of an asset class in response to technological changes, changes in the market or other developments. This results in increased/decreased depreciation expense. See Notes 2j) and 10.

Impairment of Long-Lived Assets

The Company has large amounts of long-lived assets, including property, plant and equipment, intangible assets, investments in affiliates and goodwill on its consolidated statements of financial position. The Company 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 recoverable amount 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, the Company typically takes into account recent market transactions or, if no such transactions can be identified, the Company uses a valuation model that requires making certain assumptions and estimates. Similarly, to estimate the value in use of long-lived assets, the

Company typically makes various assumptions about the future prospects for the business to which the asset relates, considers market factors specific to that business and estimates 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 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 statements 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 2l), 10 and 11.

Deferred Income Taxes

The Company 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 as discussed in Note 2 s). The analysis is based on estimates of taxable income in the jurisdictions in which the Company operates and the period on which the deferred tax assets and liabilities will be recovered or settled. If actual results differ from these estimates, or the Company adjusts these estimates in future periods, its financial position and results of operations may be materially affected.

In assessing the future realization of deferred tax assets, the Company considers future taxable income, ongoing planning strategies and future results in its operations. In the event that the estimates of projected future taxable income 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 disbursement 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 the Company 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 these estimations, actual expenditures may be different from the originally estimated amount recognized. See Note 15.

The Company is subject to various claims and contingencies related to tax, labor and legal proceedings as described in Note 16c).

Labor Obligations

The Company recognizes liabilities on its consolidated statements of financial position and expenses in its statements of comprehensive income 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 estimations and accounts for post-retirement and termination benefits.

The Company uses estimates in four specific areas that have a significant effect on these amounts: (i) the rate of return the Company assumes its pension plans will earn on its investments, (ii) the salaries increase rate 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 inflation rate. The assumptions 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.

ac) Retrospective adjustment

The following amounts in the consolidated statements of comprehensive income for the years ended December 31, 2016 and 2017, have been retrospectively reclassified to conform to the presentation for the year ended December 31, 2018.

In the Consolidated Statements of Comprehensive Income:

	As reported 2016	Retrospective reclassification	2016 As adjustments
Operating revenues:			
Mobile voice services	Ps. 242,302,380	Ps. (242,302,380)	Ps. —
Fixed voice services	95,299,154	(95,299,154)	—
Mobile data services	256,936,895	(256,936,895)	—
Fixed data services	126,278,206	(126,278,206)	—
Pay television	78,268,778	(78,268,778)	—
Other related services	32,799,952	(32,799,952)	—
Revenues services	—	831,885,365	831,885,365
	Ps. 831,885,365	Ps. —	Ps. 831,885,365

	As reported 2017	Retrospective reclassification	2017 As adjustments
Operating revenues:			
Mobile voice services	Ps. 221,751,600	Ps. (221,751,600)	Ps. —
Fixed voice services	89,856,743	(89,856,743)	—
Mobile data services	308,526,994	(308,526,994)	—
Fixed data services	139,277,613	(139,277,613)	—
Pay television	86,882,606	(86,882,606)	—
Other related services	32,115,767	(32,115,767)	—
Revenues services	—	878,411,323	878,411,323
	Ps. 878,411,323	Ps. —	Ps. 878,411,323

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of short-term deposits with different financial institutions. Cash equivalents only include instruments with purchased maturity of less than three months. The amount includes the amount deposited, plus any interest earned.

4. Equity investments at fair value through OCI and other short-term investments

As of December 31, 2017 and 2018, equity investments at fair value through OCI and other short-term investments includes an equity investments in KPN for Ps. 46,682,657 and Ps. 39,028,083, respectively, and other short-term investments for Ps. 12,438,019 and Ps. 9,987,851, respectively.

The investment in KPN is carried at fair value with changes in fair value being recognized through other comprehensive (loss) items (equity) in the Company's consolidated statements of financial position. As of December 31, 2017 and 2018, the Company has recognized in equity changes in fair value of the investment of Ps. 622,424 and Ps. (3,765,688), respectively, net of deferred taxes, through other comprehensive (loss) gain items in equity.

During the years ended December 31, 2016, 2017 and 2018, the Company received dividends from KPN for an amount of Ps. 5,740,092, Ps. 2,370,559 and Ps. 2,605,333, respectively; which are included within "Valuation of derivatives, interest cost from labor obligations, and other financial items, net" in the consolidated statements of comprehensive income. Another short-term investment item of Ps. 9,987,851, as of December 31, 2018 (Ps. 12,438,019 in 2017) represents a cash deposit used to guarantee a short-term obligation for one of the Company's foreign subsidiaries and are presented at their carrying value, which approximates fair value.

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

a) An analysis of accounts receivable by component at December 31, 2017 and 2018 is as follows:

	At December 31,	
	2017	**2018**
Subscribers and distributors	Ps. 178,722,706	**Ps. 173,053,226**
Telecommunications carriers for network interconnection and other services	8,671,416	**5,543,263**
Recoverable taxes (i)	40,477,188	**46,706,298**
Sundry debtors	14,736,340	**12,685,281**
Contractual assets (Note 2i, a)	—	**34,718,749**
Impairment of trade receivables	(39,044,925)	**(40,798,025)**
Total net	Ps. 203,562,725	**Ps. 231,908,792**
Non-current subscribers, distributors and contractual assets	9,786,581	**15,681,872**
Total current subscribers, distributors and contractual assets	Ps. 193,776,144	**Ps. 216,226,920**

(i) In accordance with the favorable resolution obtained from the authorities, in 2018 the subsidiary Claro Brasil recognized a benefit for the exclusion of the Tax on the Circulation of Goods and the Provision of Services (Imposto sobre a Circulação de Mercadorias e Prestação de Serviços, or "ICMS ") in the calculation bases of the Social Integration Program (Social Integration Program, or" PIS ") and the Contribution for the Financing of Social Security (Contribution to or Financing of Social Security, or" COFINS ") in the amount total of Ps. 12,295,869, that includes interest of Ps. 6,127,656. The asset was recognized based on the certainty of obtaining the economic benefit.

b) Changes in the allowance for expected credit losses is as follows:

	For the years ended December 31,		
	2016	2017	2018
Balance at beginning of year	Ps. (27,495,158)	Ps. (37,351,677)	**Ps. (39,044,925)**
Increases recorded in expenses	(16,987,769)	(20,766,362)	**(19,535,707)**
Adjustment on initial application of IFRS 9 (Note 2i, b)	—	—	**(2,400,783)**
Write-offs	12,587,567	17,713,992	**15,497,254**
Translation effect	(5,456,317)	1,359,122	**4,686,136**
Balance at end of year	Ps. (37,351,677)	Ps. (39,044,925)	**Ps. (40,798,025)**

c) The following table shows the aging of accounts receivable at December 31, 2017 and 2018, for subscribers and distributors:

	Past due					
	Total	Unbilled services provided	a-30 days	31-60 days	61-90 days	Greater than 90 days
December 31, 2017	Ps. 178,722,706	Ps. 78,384,174	Ps. 46,758,825	Ps. 6,780,671	Ps. 4,375,188	Ps. 42,423,848
December 31, 2018	**Ps. 173,053,226**	**Ps. 62,623,654**	**Ps. 46,816,302**	**Ps. 6,315,277**	**Ps. 4,168,952**	**Ps. 53,129,041**

d) The following table shows the accounts receivable from subscribers and distributors included in the impairments of trade receivables, as of December 31, 2017 and 2018:

	Total	1-90 days	Greater than 90 days
December 31, 2017	Ps. 39,044,925	Ps. 3,807,945	Ps. 35,236,980
December 31, 2018	**Ps. 40,798,025**	**Ps. 4,079,803**	**Ps. 36,718,222**

e) An analysis of contract assets and liabilities at December 31, 2018 is as follows:

	2018
Contract Assets:	
Balance at the beginning of the year	Ps. 29,640,953
Additions	32,029,279
Disposals	(25,243,487)
Translation effect	(1,707,996)
Balance at the end of the year	Ps. 34,718,749
Non-current contract assets	Ps. 5,437,263
Current portion contracts assets	Ps. 29,281,486

6. Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2017 and 2018. All of the companies were considered affiliates of América Móvil since the Company's principal shareholders are either direct or indirect shareholders in the related parties.

	2017	2018
Accounts receivable:		
Sears Roebuck de México, S.A. de C.V.	Ps. 211,491	**Ps. 264,976**
Sanborns Hermanos, S.A.	91,233	**312,706**
Patrimonial Inbursa, S.A.	246,874	**214,180**
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	89,585	**179,852**
Grupo Condumex, S.A. de C.V. and Subsidiaries	47,269	**35,007**
Operadora de Sites Mexicanos, S.A. de C.V.	14,252	**16,634**
Other	167,526	**240,250**
Total	Ps. 868,230	**Ps. 1,263,605**

	2017	2018
Accounts payable:		
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	Ps. 947,761	**Ps. 1,403,414**
Grupo Condumex, S.A. de C.V. and Subsidiaries	812,427	**784,678**
Grupo Financiero Inbursa, S.A.B. de C.V.	38,847	**235,745**
Fianzas Guardiana Inbursa, S.A. de C.V.	276,633	**227,014**
PC Industrial, S.A. de C.V. and Subsidiaries	136,859	**83,502**
Enesa, S.A. de C.V. and Subsidiaries	50,609	**22,630**
Other	277,276	**217,230**
Total	Ps. 2,540,412	**Ps. 2,974,213**

For the years ended December 31, 2016, 2017 and 2018, the Company has not recorded any impairment of receivables in connection with amounts owed by related parties.

b) For the years ended December 31, 2016, 2017 and 2018, the Company conducted the following transactions with related parties:

	2016	2017	2018
Investments and expenses:			
Construction services, purchases of materials, inventories and property, plant and equipment (i)	Ps. 9,917,280	Ps. 11,030,944	**Ps. 7,211,960**
Rent of towers	4,748,503	5,326,366	**6,168,592**
Insurance premiums, fees paid for administrative and operating services, brokerage services and others (ii)	4,118,469	4,135,578	**4,134,380**
Other services	1,899,818	2,802,667	**1,864,017**
	Ps. 20,684,070	Ps. 23,295,555	**Ps. 19,378,949**
Revenues:			
Revenues services	Ps. 411,076	Ps. 416,047	**Ps. 679,220**
Sales of equipment	2,679,591	2,313,840	**1,296,204**
	Ps. 3,090,667	Ps. 2,729,887	**Ps. 1,975,424**

i) In 2018, this amount includes Ps.5,622,791 (Ps. 9,829,991 in 2017 and Ps. 9,547,530 in 2016) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).

ii) In 2018, this amount includes Ps. 778,191 (Ps. 789,253 in 2017 and Ps. 812,247 in 2016) for network maintenance services performed by Grupo Carso subsidiaries; Ps. 13,784 in 2018 (Ps. 15,695 in 2017, and Ps. 705,074 in 2016) for software services provided by an associate; Ps. 2,541,703 in 2018 (Ps. 3,330,038 in 2017 and Ps. 2,406,058 in 2016) for insurance premiums with Seguros Inbursa S.A. and Fianzas Guardiana Inbursa, S.A., which, in turn, places most of such insurance with reinsurers.

c) The aggregate compensation paid to the Company's, directors (including compensation paid to members of the Audit and Corporate Practices Committee), and senior management in 2018 was approximately Ps. 5,300 and Ps. 70,100, respectively. None of the Company's directors is a party to any contract with the Company or any of its subsidiaries that provides for benefits upon termination of employment. The Company does not provide pension, retirement or similar benefits to its directors in their capacity as directors. The Company's executive officers are eligible for retirement and severance benefits required by Mexican law on the same terms as all other employees.

d) Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB) is considered a related party due to it is a significant non-controlling shareholder in Telekom Austria. Through Telekom Austria, América Móvil is related to the Republic of Austria and its subsidiaries, which are mainly ÖBB Group, ASFINAG Group and Post Group as well as Rundfunk und Telekom Reguliegungs-GmbH, all of which these are related parties. In 2016, 2017 and 2018, none of the individual transactions associated with government agencies or government-owned entities of Austria were considered significant to América Móvil.

7. Derivative Financial Instruments

To mitigate the risks of future increases in interest rates and foreign exchange rates for the servicing of its debt, the Company has entered into derivative contracts in over-the-counter transactions carried out with financial institutions. In 2018 the weighted-average interest rate of the total debt including the impact of interest rate derivatives held by the Company is 4.1% (4.0% and 3.7% in 2017 and 2016, respectively).

An analysis of the derivative financial instruments contracted by the Company at December 31, 2017 and 2018 is as follows:

Instrument	At December 31, 2017 Notional amount in millions		2017 Fair Value	At December 31, 2018 Notional amount in millions		2018 Fair Value
Assets:						
Swaps US Dollar-Mexican peso	US$	2,800	Ps.4,766,102	**US$**	**3,490**	**Ps. 2,058,831**
Swaps Euro-Mexican peso	€	—	—		**—**	**—**
Swaps Yen-US Dollar	¥	13,000	521,270	**¥**	**13,000**	**581,948**
Forwards US Dollar-Mexican peso	US$	1,744	1,600,666		**—**	**—**
Forwards US Dollar-Brazilian real	US$	100	44,280	**US$**	**150**	**126,287**
Swaps Swiss Franc-US Dollar	CHF	475	178,710		**—**	**—**
Swaps Euro-Brazilian real	€	450	359,671	**€**	**300**	**1,080,552**
Interest rate swap		Ps.200	916		**—**	**—**
Forwards Brazilian Real-US Dollar		—	—	**BRL $**	**2,823**	**1,107,630**
Forwards Euro-Brazilian real	€	400	330,427	**€**	**150**	**123,005**
Forwards US Dollar-Swiss franc	CHF	75	121,981		**—**	**—**
Forwards Euro-US Dollar	€	204	113,361	**€**	**710**	**209,295**
Total Assets			Ps. 8,037,384			**Ps. 5,287,548**

Instrument	At December 31, 2017 Notional amount in millions		2017 Fair Value	At December 31, 2018 Notional amount in millions		2018 Fair Value
Liabilities:						
Swaps US Dollar-Euro	US$	2,092	Ps. (8,340,970)	**US$**	**2,025**	**Ps. (5,114,863)**
Swaps Pound sterling-Euro	£	740	(3,376,091)	**£**	**740**	**(4,027,312)**
Swap Pound sterling-US Dollar	£	2,010	(1,676,636)	**£**	**2,010**	**(5,836,607)**
Forwards US Dollar-Mexican Peso		—	—	**US$**	**977**	**(772,704)**
Forwards Euro-US Dollar		—	—	**€**	**950**	**(333,586)**
Call spread option	€	750	(48,422)		**—**	**—**
Put option	€	374	(482,645)	**€**	**374**	**(988,669)**
Call spread option	€	3,000	(434,696)	**€**	**3,000**	**(33,838)**
Total Liabilities			**Ps. (14,359,460)**			**Ps. (17,107,579)**
Non-current liability			**Ps. (3,756,921)**			**Ps. (3,567,863)**
Total current liability			**Ps. (10,602,539)**			**Ps. (13,539,716)**

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2016, 2017 and 2018 amounted to a gain (loss) of Ps. (9,622,233), Ps. 8,192,567 and Ps. (4,686,407). 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".

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

Instrument	Notional amount in millions	2019	2020	2021	2022	2023 Thereafter
Assets						
Swaps US Dollar-Mexican peso	**US$**	—	—	—	1,600	1,890
Swaps Yen-US Dollar	**¥**	—	—	—	—	13,000
Swaps Euro-Brazilian real	**€**	300	—	—	—	—
Forwards Brazilian Real-US Dollar	**BRL**	1,680	—	1,143	—	—
Forwards Euro-Brazilian Real	**€**	150	—	—	—	—
Forwards US Dollar-Brazilian Real	**US$**	150	—	—	—	—
Forwards Euro-US Dollar	**€**	710	—	—	—	—
Liabilities						
Swaps US Dollar-Euro	**US$**	25	—	—	—	2,000
Swaps Pound sterling-Euro	**£**	—	—	—	—	740
Swap Pound sterling-US Dollar	**£**	—	550	—	—	1,460
Forwards US Dollar-Mexican Peso	**US$**	977	—	—	—	—
Forwards Euro-US Dollar	**€**	950	—	—	—	—
Put option	**€**	—	—	—	—	374
Call spread option	**€**	—	3,000	—	—	—

8. Inventories, net

An analysis of inventories at December 31, 2017 and 2018 is as follows:

	2017	2018
Mobile phones, accessories, computers, TVs, cards and other materials	Ps. 42,262,511	**Ps. 43,723,492**
Less: Reserve for obsolete and slow-moving inventories	(3,452,946)	**(3,418,130)**
Total	Ps. 38,809,565	**Ps. 40,305,362**

For the years ended December 31, 2016, 2017 and 2018, the cost of inventories recognized in cost of sales was Ps. 172,495,376, Ps. 170,154,336 and Ps. 180,013,986 respectively.

9. Other assets, net

An analysis of other assets at December 31, 2017 and 2018 is as follows:

	2017	2018
Current portion:		
Advances to suppliers (different from PP&E and inventories)	Ps. 9,536,654	**Ps. 12,931,247**
Prepaid insurance	683,091	**949,590**
Costs of mobile equipment and computers associated with deferred revenues	6,182,010	**599,628**
Other	950,991	**815,728**
	Ps. 17,352,746	**Ps.15,296,193**
Non-current portion:		
Recoverable taxes	Ps. 12,249,372	**Ps. 11,514,455**
Prepayments for the use of fiber optics	4,361,668	**3,985,216**
Prepaid expenses and judicial deposits (1)	25,926,436	**26,961,930**
Total	Ps. 42,537,476	**Ps. 42,461,601**

For the years ended December 31, 2016, 2017 and 2018, amortization expense for other assets was Ps. 1,340,609, Ps. 620,680 and Ps. 798,243, respectively.

(1) Judicial deposits represent cash and cash equivalents pledged in order to fulfill the collateral requirements for tax contingencies mainly in Brazil. At December 31, 2017 and 2018, the amount for these deposits is Ps. 20,288,382 and Ps. 18,172,342, respectively. Based on its evaluation of the underlying contingencies, the Company believes that such amounts are recoverable.

10. Property, Plant and Equipment, net

a) An analysis of property, plant and equipment, net at December 31, 2016, 2017 and 2018 is as follows:

	At December 31, 2015	Additions	Retirements	Business combinations	Translation effect of Foreign Subsidiaries	Depreciation for the year	At December 31, 2016
Cost							
Network in operation and equipment	Ps. 641,384,702	Ps. 101,794,197	Ps. (8,963,076)	Ps. 1,873,445	Ps. 235,186,745	Ps. —	Ps. 971,276,013
Land and buildings	54,794,386	2,900,511	(2,845,298)	3,839	7,281,973	—	62,135,411
Other assets	106,468,602	24,368,918	(10,717,096)	69,937	24,736,655	—	144,927,016
Construction in process and advances plant suppliers (1)	38,850,776	70,517,319	(70,911,593)	11,255	11,252,127	—	49,719,884
Spare parts for operation of the network	20,342,389	34,010,751	(27,641,919)	5,520	1,566,307	—	28,283,048
Total	861,840,855	233,591,696	(121,078,982)	1,963,996	280,023,807	—	1,256,341,372
Accumulated depreciation							
Network in operation and equipment	236,731,728	—	(1,968,376)	—	153,147,349	107,976,385	495,887,086
Buildings	4,567,588	—	(975,284)	—	3,709,952	3,179,066	10,481,322
Other assets	47,057,084	—	(25,099,710)	—	10,396,438	16,105,885	48,459,697
Spare parts for operation of the network	(44,423)	—	(54,280)	—	20,896	401,008	323,201
Total	Ps. 288,311,977	Ps. —	Ps. (28,097,650)	Ps. —	Ps. 167,274,635	Ps. 127,662,344	Ps. 555,151,306
Net Cost	Ps. 573,528,878	Ps. 233,591,696	Ps. (92,981,332)	Ps. 1,963,996	Ps. 112,749,172	Ps. (127,662,344)	Ps. 701,190,066

	At December 31, 2016	Additions	Retirements	Business combinations	Effect of translation of foreign subsidiaries	Depreciation for the year	At December 31, 2017
Cost							
Network in operation and equipment ..	Ps. 971,276,013	Ps. 78,272,882	Ps. (21,657,715)	Ps. 599,306	Ps.(38,824,540)	Ps. —	Ps. 989,665,946
Land and buildings.............................	62,135,411	2,858,996	(415,219)	27,686	(2,022,685)	—	62,584,189
Other assets..	144,927,016	19,287,525	(8,112,571)	80,734	(5,866,897)	—	150,315,807
Construction in process and advances plant suppliers [1]	49,719,884	66,383,381	(41,279,573)	34,705	(737,023)	—	74,121,374
Spare parts for operation of the network	28,283,048	27,013,148	(27,979,816)	3,576	(728,358)	—	26,591,598
Total..	1,256,341,372	193,815,932	(99,444,894)	746,007	(48,179,503)	—	1,303,278,914
Accumulated depreciation..................							
Network in operation and equipment ..	495,887,086	—	(21,214,724)	—	(32,860,339)	110,533,486	552,345,509
Buildings..	10,481,322	—	(1,568,542)	—	(940,054)	2,682,559	10,655,285
Other assets..	48,459,697	—	(4,572,509)	—	(2,251,958)	21,724,299	63,359,529
Spare parts for operation of the network	323,201	—	(9,205)	—	(4,339)	265,736	575,393
Total..	Ps. 555,151,306	Ps. —	Ps. (27,364,980)	Ps. —	Ps.(36,056,690)	Ps. 135,206,080	Ps. 626,935,716
Net Cost	Ps. 701,190,066	Ps. 193,815,932	Ps. (72,079,914)	Ps. 746,007	Ps. (12,122,813)	Ps. (135,206,080)	Ps. 676,343,198

	At December 31, 2017	Additions	Retirements	Business combinations	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year	At December 31, 2018
Cost							
Network in operation and equipment	**Ps. 989,665,946**	**Ps.68,900,443**	**Ps. (1,610,246)**	**Ps. 128,246**	**Ps. (87,888,453)**	**—**	**Ps. 969,195,936**
Land and buildings...	**62,584,189**	**4,429,433**	**(3,987,671)**	**8,874**	**(5,904,499)**	**—**	**57,130,326**
Other assets..	**150,315,807**	**25,268,252**	**(13,377,798)**	**2,578**	**(12,399,702)**	**—**	**149,809,137**
Construction in process and advances plant suppliers [1]	**74,121,374**	**92,285,397**	**(76,978,798)**	**1,379**	**(8,336,823)**	**—**	**81,092,529**
Spare parts for operation of the network	**26,591,598**	**49,380,349**	**(44,626,488)**	**1,939**	**(2,902,869)**	**—**	**28,444,529**
Total	**1,303,278,914**	**240,263,874**	**(140,581,001)**	**143,016**	**(117,432,346)**	**—**	**1,285,672,457**
Accumulated depreciation							
Network in operation and equipment	**552,345,509**	**—**	**(28,712,096)**	**—**	**(67,907,227)**	**104,279,361**	**560,005,547**
Buildings	**10,655,285**	**—**	**(2,311,442)**	**—**	**(2,157,996)**	**2,625,102**	**8,810,949**
Other assets..	**63,359,529**	**—**	**(2,418,837)**	**—**	**(6,579,983)**	**22,172,785**	**76,533,494**
Spare parts for operation of the network	**575,393**	**—**	**(160,696)**	**—**	**(131,429)**	**38,479**	**321,747**
Total	**Ps. 626,935,716**	**Ps. —**	**Ps. (33,603,071)**	**Ps. —**	**Ps. (76,776,635)**	**Ps .129,115,727**	**Ps. 645,671,737**
Net Cost...	**Ps. 676,343,198**	**Ps.240,263,874**	**Ps. (106,977,930)**	**Ps. 143,016**	**Ps. (40,655,711)**	**Ps. (129,115,727)**	**Ps. 640,000,720**

[1] Construction in progress includes fixed and mobile network 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 plant and equipment under construction.

b) At December 31, 2017 and 2018, property, plant and equipment include the following assets under capital leases:

	2017	2018
Assets under capital leases	Ps. 8,116,532	**Ps.7,770,681**
Accumulated depreciation..	(3,475,014)	**(3,530,241)**
	Ps. 4,641,518	**Ps. 4,240,440**

c) At December 31, 2018 and 2017, Claro Brasil has land and buildings and other equipment that are pledged in guarantee of legal proceedings in the amount of Ps.3,166,882 and Ps. 3,521,082, respectively.

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

	Year ended December 31,		
	2016	2017	2018
Amount invested in the acquisition of qualifying assets	Ps. 52,974,400	Ps. 49,642,370	**Ps. 45,456,630**
Capitalized interest	2,861,307	2,875,034	**2,020,288**
Capitalization rate	5.4%	5.8%	**4.4%**

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

e) On October 20, 2017, our subsidiary Star One signed a contract with SSL — Space Systems Loral for construction of the Star One D2 satellite, which will be equipped with transponders 52 in the C and Ku bands, 20 Gbps of capacity in Band Ka and a certain capacity in X-band. The cost of this Project is estimated to be approximately Ps. 6,391,104 (US$ 323,000) and the launch will take place at the end of 2019. At December 31, 2018 and 2017 the amount recorded in Construction in progress amounts to Ps. 2,896,399 (R$551,528) and Ps. 916,240 (R$153,179), respectively.

11. Intangible assets, net and goodwill

a) An analysis of intangible assets at December 31, 2016, 2017 and 2018 is as follows:

	For the year ended December 31, 2016						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries	Balance at end of year
Licenses and rights of use	Ps. 175,295,775	Ps. 9,129,949	Ps. 360,144	Ps. 1,269,478	Ps. —	Ps. 56,684,016	Ps. 242,739,362
Accumulated amortization	(84,846,524)	—	—	—	(10,255,271)	(31,606,303)	(126,708,098)
Net	90,449,251	9,129,949	360,144	1,269,478	(10,255,271)	25,077,713	116,031,264
Trademarks	22,824,013	—	101,655	(13,820)	—	4,877,302	27,789,150
Accumulated amortization	(11,523,707)	—	—	—	(330,576)	(3,367,974)	(15,222,257)
Net	11,300,306	—	101,655	(13,820)	(330,576)	1,509,328	12,566,893
Customer relationships	18,394,407	—	1,904,503	—	—	5,946,598	26,245,508
Accumulated amortization	(3,962,875)	—	—	—	(3,231,518)	(5,240,681)	(12,435,074)
Net	14,431,532	—	1,904,503	—	(3,231,518)	705,917	13,810,434
Software licenses	8,782,768	3,854,066	26,871	(829,680)	—	1,040,771	12,874,796
Accumulated amortization	(2,424,598)	(41,185)	(8,367)	829,680	(3,469,461)	(9,809)	(5,123,740)
Net	6,358,170	3,812,881	18,504	—	(3,469,461)	1,030,962	7,751,056
Content rights	2,634,527	2,242,556	—	(217,057)	—	216,272	4,876,298
Accumulated amortization	(428,746)	—	—	(1,612)	(2,236,141)	—	(2,666,499)
Net	2,205,781	2,242,556	—	(218,669)	(2,236,141)	216,272	2,209,799
Total of intangibles, net	Ps. 124,745,040	Ps. 15,185,386	Ps. 2,384,806	Ps. 1,036,989	Ps. (19,522,967)	Ps. 28,540,192	Ps. 152,369,446
Goodwill (Note 12)	Ps. 137,113,716	Ps. —	Ps. 3,953,023	Ps. (356,832)	Ps. —	Ps. 11,922,728	Ps. 152,632,635

	For the year ended December 31, 2017						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries	Balance at end of year
Licenses and rights of use	Ps. 242,739,362	Ps. 12,347,051	Ps. 53,923	Ps. (1,037,458)	Ps. —	Ps. (6,689,054)	Ps. 247,413,824
Accumulated amortization	(126,708,098)	—	—	244,564	(11,879,489)	4,233,585	(134,109,438)
Net	116,031,264	12,347,051	53,923	(792,894)	(11,879,489)	(2,455,469)	113,304,386
Trademarks	27,789,150	127,823	82,868	(29,804)	—	809,175	28,779,212
Accumulated amortization	(15,222,257)	—	—	34,464	(3,179,461)	(474,151)	(18,841,405)
Net	12,566,893	127,823	82,868	4,660	(3,179,461)	335,024	9,937,807
Customer relationships	26,245,508	—	512,667	(882,338)	—	1,109,877	26,985,714
Accumulated amortization	(12,435,074)	—	—	882,338	(3,769,777)	(806,982)	(16,129,495)
Net	13,810,434	—	512,667	—	(3,769,777)	302,895	10,856,219
Software licenses	12,874,796	3,351,200	—	(1,698,118)	—	527,720	15,055,598
Accumulated amortization	(5,123,740)	—	—	1,212,669	(3,699,363)	(204,727)	(7,815,161)
Net	7,751,056	3,351,200	—	(485,449)	(3,699,363)	322,993	7,240,437
Content rights	4,876,298	2,099,084	—	(63,137)	—	(194,803)	6,717,442
Accumulated amortization	(2,666,499)	—	—	(195,658)	(1,820,092)	165,584	(4,516,665)
Net	2,209,799	2,099,084	—	(258,795)	(1,820,092)	(29,219)	2,200,777
Total of intangibles, net	Ps. 152,369,446	Ps. 17,925,158	Ps. 649,458	Ps. (1,532,478)	Ps. (24,348,182)	Ps. (1,523,776)	Ps. 143,539,626
Goodwill (Note 12)	Ps. 152,632,635	Ps. —	Ps. 951,348	Ps. (134,525)	Ps. —	Ps. (1,986,226)	Ps. 151,463,232

	For the year ended December 31, 2018						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	**Ps. 247,413,824**	**Ps. 4,227,244**	**—**	**Ps. 1,508,274**	**—**	**Ps. (19,670,368)**	**Ps. 233,478,974**
Accumulated amortization	**(134,109,438)**	**—**	**—**	**(1,005,877)**	**(11,347,089)**	**16,281,825**	**(130,180,579)**
Net	**113,304,386**	**4,227,244**		**502,397**	**(11,347,089)**	**(3,388,543)**	**103,298,395**
Trademarks	**28,779,212**	**159,958**	**6,631**	**—**		**(738,635)**	**28,207,166**
Accumulated amortization	**(18,841,405)**	**—**	**—**	**—**	**(4,973,602)**	**275,046**	**(23,539,961)**
Net	**9,937,807**	**159,958**	**6,631**	**—**	**(4,973,602)**	**(463,589)**	**4,667,205**
Customer relationships	**26,985,714**	**74,637**	**15,556**	**—**		**(1,532,839)**	**25,543,068**
Accumulated amortization	**(16,129,495)**			**—**	**(3,754,312)**	**1,122,270**	**(18,761,537)**
Net	**10,856,219**	**74,637**	**15,556**	**—**	**(3,754,312)**	**(410,569)**	**6,781,531**
Software licenses	**15,055,598**	**2,004,550**	**3,006**	**(905,610)**	**—**	**(1,848,286)**	**14,309,258**
Accumulated amortization	**(7,815,161)**	**—**		**2,677,848**	**(3,491,629)**	**924,139**	**(7,704,803)**
Net	**7,240,437**	**2,004,550**	**3,006**	**1,772,238**	**(3,491,629)**	**(924,147)**	**6,604,455**
Content rights	**6,717,442**	**850,779**	**—**	**—**	**—**	**(18,512)**	**7,549,709**
Accumulated amortization	**(4,516,665)**	**—**	**—**	**—**	**(2,231,978)**	**(14,949)**	**(6,763,592)**
Net	**2,200,777**	**850,779**	**—**	**—**	**(2,231,978)**	**(33,461)**	**786,117**
Total of intangibles, net	**Ps. 143,539,626**	**Ps. 7,317,168**	**Ps. 25,193**	**Ps. 2,274,635**	**Ps. (25,798,610)**	**Ps. (5,220,309)**	**Ps. 122,137,703**
Goodwill	**Ps. 151,463,232**	**Ps. 1,455**	**Ps. 333,284**	**Ps. (1,094,861)**	**—**	**Ps. (5,136,613)**	**Ps. 145,566,497**

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

	2017	2018
Europe (7 countries)	Ps. 53,143,542	**Ps. 53,066,729**
Brazil (Fixed, wireless and TV)	24,708,740	**21,388,124**
Puerto Rico	17,463,394	**17,463,394**
Dominican Republic	14,186,723	**14,186,723**
Colombia	13,981,033	**12,770,381**
México	9,852,912	**9,856,601**
Peru	3,958,110	**3,086,981**
Chile	2,834,134	**2,576,214**
El Salvador	2,510,577	**2,510,577**
Ecuador	2,155,385	**2,155,385**
Other countries	6,668,682	**6,505,388**
	Ps. 151,463,232	**Ps. 145,566,497**

c) The following is a description of the major changes in the "Licenses and rights of use" caption during the years ended December 31, 2016, 2017 and 2018:

2016 Acquisitions

i) In February 2016, the Company´s subsidiary in Paraguay was granted with the use of 30 MHz of spectrum in the 1700/2100 Mhz frequency. The total cost was Ps. 830,719 (US$ 46,000).

ii) In February 2016, the Company through its subsidiary Radiomóvil Dipsa, S.A. de C.V. (Telcel), acquired through an auction a total of 20MHz in the national wide AWS-1 band and 40 MHz in the AWS-3 band. The concession expires in October 2030. The Company paid an amount of Ps. 2,098,060.

iii) In May 2016, Mtel, located in Bulgaria, acquired 2 x 5 MHz in the 1,800-MHz spectrum for Ps. 135,441 (EUR 6,212). During 2016, Telekom Austria paid Ps. 410,713 (EUR 18,837) for the renewals referring to an obligation obtained from concessions granted in previous years.

iv) On May 26, 2016, the Company's subsidiary in Peru acquired spectrum in a public auction of the 700 MHz band. The frequency band expires in 2036. The cost of the spectrum was Ps. 5,627,316 (PEN$. 1,002,523).

v) In July 2016, Ecuador Telecom acquired a license to operate TV in Ecuador for a period that ends in 2031. The amount paid was Ps. 27,700 (US$ 1,500).

2017 Acquisitions

i) In 2017, Claro Brasil increased its licenses value by Ps. 3,592,034 due to the cleaning process of the 700 MHz national frequency acquired in September 2014.

ii) On February 24, 2017 Radiomóvil Dipsa renewed its 8.4 MHz national license by paying Ps. 917,431, and on July 14, 2017, it acquired 43 concession titles for frequencies of 2.5 GHz in the amount of Ps. 5,305,498.

iii) Additionally, in 2017, the Company acquired other licenses in Chile, Europe, Uruguay and others countries in the amount of Ps. 2,532,088.

2018 Acquisitions

i. In December, Dominican Republic acquired radio spectrum totaling Ps 709,829 (RD$ 1,831,427) with a useful life of 11 years.

ii. Additionally, in 2018, the Company acquired other licenses in Paraguay, Puerto Rico, Europe, Argentina, Chile and others countries in the amount of Ps. 3,517,415.

Amortization of intangibles for the years ended December 31, 2016, 2017 and 2018 amounted to Ps. 19,522,968, Ps. 24,348,182and Ps. 25,798,610 respectively.

Some of the jurisdictions in which the Company operates can revoke their concessions under certain circumstances such as imminent danger to national security, national economy and natural disasters.

12. Business combinations, acquisitions, sale and non-controlling interest

a) The following is a description of the major acquisitions of investments in associates and subsidiaries during the years ended December 31, 2016 and 2017:

Acquisitions and sale 2016

a) In January 2016, in order to expand and strengthen its operations in Brazil, the Company through its Brazilian subsidiary, acquired a controlling interest of 99.99% in Brazil 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 amount paid for the business acquisition was Ps. 1,088,668, net of acquired cash. The goodwill recognized amounted to Ps. 1,046,253.

b) In May 2016, the Company acquired an additional non-controlling interest of 1.8% in Tracfone Wireless Inc. thereby obtaining 100% of its capital stock. The amount paid was Ps. 2,300,553 (US$ 124,673). This transaction was recorded as an equity transaction, and therefore, no gain or loss was recognized.

c) In May 2016, the Company through his subsidiary, América Móvil Perú, S.A.C. acquired 100% of the capital stock of Olo del Perú S.A.C. ("Olo"), and TVS Wireless S.A.C. ("TVS"). Olo and TVS provide telecommunications services throughout Peru and hold radio spectrum in the 2.5 GHz band. The transaction was conditioned to the obtention of the approval of the Peruvian regulator, such approval was finally obtained in December 2016. The amount of the transaction was Ps. 1,854,379 (US$. 102,343) net of acquired cash. In May 2016 the Company paid Ps. 152,214 (US$ 7,554) and in January 2017, after the approval, Ps. 2,079,095 (US$ 94,789). The goodwill recognized amounted to Ps. 1,454,333 in December 2016, Ps. 188,452 in December 2017 and Ps. 329,366 in December 2018.

d) Based on a 2014 shareholder agreement, the Company agreed to ensure a minimal free float of Telekom Austria shares in the market. Consequently, in July 2016, the Company sold shares corresponding to 7.8% of the outstanding common stock of Telekom Austria AG. This sale reduced the overall shareholding of América Movil in Telekom Austria AG from 59.70% to 51.89%. Additionally, in August 2016, the Company sold 0.89% of the outstanding common stock of Telekom Austria AG. Following the successful completion of this transaction, AMX's stake was reduced to 51.0%. The amount of cash received for these transactions was Ps. 6,323,336. As América Móvil still retains control over Telekom Austria AG, these transactions were recorded as equity transactions.

e) In September 2016, the Company, through his subsidiary Tracfone, acquired certain assets of T-Mobile, that represented a business, which included the brands known as Walmart Mobile and Go Smart. These assets were acquired in order to expand the Company's distribution channels, add an incremental revenue stream, and assist in the growth of subscribers. There was no cash exchanged in the acquisition. The goodwill recognized amounted to Ps. 1,251,464.

f) In November 2016, Telekom Austria Group acquired 100% of the Belarusian fixed-line operator Atlant Telecom (Atlant) and its subsidiary TeleSet. After the acquisition, Atlant was renamed velcom ACS. Both companies are the leading privately owned fixed-line operators in Belarus offering fixed-line broadband, IPTV and cable TV as well as a video and audio library. The acquisition of Atlant and TeleSet is a further step in Telekom Austria Group's convergence strategy. The final allocation of consideration transferred will be determined once all necessary information regarding identifiable assets is available. The amount paid for the business acquisition was Ps. 582,931, net of acquired cash. The goodwill recognized amounted to Ps. 200,973.

Acquisitions 2017

a) In February 2017, Telekom Austria Group acquired 97.68% of Metronet telekomunikacije through its Croatian subsidiary Vipnet. Metronet is one of the leading alternative fixed business solutions providers in Croatia. The fair values of the assets acquired and liabilities assumed at the acquisition date are reported in the Europe segment. The amount paid for the business acquisition was Ps. 1,550,534, net of acquired cash. The goodwill recognized amounted to Ps. 502,574.

b) During 2017, the Company acquired through its subsidiaries, other entities for which if paid Ps. 3,249,164, net of acquired cash. The identified goodwill has been allocated to the Europe segment. The goodwill recognized amounted to Ps. 260,355.

c) The Company acquired an additional non-controlling interest in its Mexican entities for an amount of Ps. 23,881.

b) Consolidated subsidiaries with non-controlling interests

The Company has control over Telekom Austria, which has a material non-controlling interest. Set out below is summarized information as of December 31, 2017 and 2018 of TKA's consolidated financial statements. The amounts disclosed for this subsidiary are before inter-company eliminations and using the same accounting policies of América Móvil.

Selected financial data from the statements of financial position

	December 31,	
	2017	**2018**
Assets:		
Current assets	Ps. 29,128,486	**Ps. 29,854,542**
Non-current assets	150,225,260	**131,407,408**
Total assets	Ps. 179,353,746	**Ps. 161,261,950**
Liabilities and equity:		
Current liabilities	Ps. 30,192,384	**Ps. 36,822,034**
Non-current liabilities	89,048,150	**80,023,800**
Total liabilities	119,240,534	**116,845,834**
Equity attributable to equity holders of the parent	25,808,318	**22,621,625**
Non-controlling interest (1)	34,304,894	**21,794,491**
Total equity	Ps. 60,113,212	**Ps. 44,416,116**
Total liabilities and equity	Ps. 179,353,746	**Ps. 161,261,950**

(1) In 2017 this amount includes Ps. 14,942,886 for the subordinated perpetual fixed rate bond (see Note 19).

Summarized statements of comprehensive income

	For the year ended December 31,		
	2016	2017	2018
Operating revenues	Ps. 85,185,177	Ps. 93,644,173	**Ps. 100,716,444**
Operating costs and expenses	81,590,233	86,920,692	**95,984,880**
Operating income	Ps. 3,594,944	Ps. 6,723,481	**Ps. 4,731,564**
Net income	Ps. 7,065,770	Ps. 5,656,132	**Ps. 3,809,694**
Total comprehensive income	Ps. 8,450,837	Ps. 7,737,797	**Ps. 5,047,838**
Net income attributable to:			
Equity holders of the parent	Ps. 3,241,556	Ps. 2,884,627	**Ps. 1,942,944**
Non-controlling interest	3,824,214	2,771,505	**1,866,750**
	Ps. 7,065,770	Ps. 5,656,132	**Ps. 3,809,694**
Comprehensive income attributable to:			
Equity holders of the parent	Ps. 4,311,801	Ps. 3,978,263	**Ps. 2,574,397**
Non-controlling interest	4,139,036	3,759,534	**2,473,441**
	Ps. 8,450,837	Ps. 7,737,797	**Ps. 5,047,838**

13. Income Taxes

As explained previously in these consolidated financial statements, the Company is a Mexican corporation which has numerous consolidated subsidiaries operating in different countries. 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, 2016, 2017 and 2018 is as follows:

	2016	2017	2018
In Mexico:			
Current year income tax	Ps. 14,316,005	Ps. 16,568,274	**Ps. 28,572,414**
Deferred income tax	(12,086,232)	2,582,287	**(2,688,727)**
Foreign:			
Current year income tax	15,367,903	13,524,729	**19,898,728**
Deferred income tax	(6,198,820)	(7,733,779)	**694,664**
	Ps. 11,398,856	Ps. 24,941,511	**Ps. 46,477,079**

Deferred tax related to items recognized in OCI during the year:

	For the years ended December 31,		
	2016	2017	2018
Remeasurement of defined benefit plans	Ps. (7,734,732)	Ps. 3,032,403	**Ps. 408,735**
Effect of financial instruments acquired for hedging purposes	(21,046)	(5,337)	
Equity investments at fair value	2,858,452	(266,753)	**1,613,667**
Other	136,879	—	**(8,922)**
Deferred tax benefit (expense) recognized in OCI	Ps. (4,760,447)	Ps. 2,760,313	**Ps. 2,013,480**

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,		
	2016	2017	2018
Statutory income tax rate in Mexico	30.0%	30.0%	**30.0%**
Impact of non-deductible and non-taxable items:			
Tax inflation effects	15.9%	17.8%	**7.3%**
Derivatives	8.0%	1.0%	**0.4%**
Employee benefits	4.4%	2.2%	**1.3%**
Other	9.8%	2.6%	**6.3%**
Effective tax rate on Mexican operations	68.1%	53.6%	**45.3%**
Use of unrecognized tax credits in Brazil	(0.6%)	(0.4%)	**—**
Equity interest in net loss of associated companies	(0.2%)	—	**—**
Dividends received from associates	(7.9%)	(1.2%)	**(0.8%)**
Foreign subsidiaries and other non-deductible items, net	(10.8%)	(8.3%)	**1.5%**
Effective tax rate	48.6%	43.7%	**46.0%**

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

	Consolidated statements of financial position		Consolidated statements of comprehensive income		
	2017	2018	2016	2017	2018
Provisions	Ps.26,268,666	**Ps.20,781,421**	Ps.1,622,132	Ps.1,579,604	**Ps.1,841,705**
Deferred revenues	7,461,802	**6,866,120**	(12,128)	(965,010)	**3,632,051**
Tax losses carry forward	38,332,408	**27,881,491**	12,706,245	(323,506)	**(5,833,660)**
Property, plant and equipment (1)	(9,929,129)	**(11,756,590)**	2,445,783	1,974,753	**453,493**
Inventories	2,003,049	**2,106,976**	(229,571)	519,046	**81,270**
Licenses and rights of use (1)	(2,455,877)	**(3,896,788)**	54,182	348,201	**961,402**
Employee benefits	33,253,071	**33,673,874**	3,616,952	1,225,310	**1,128,209**
Other	9,639,995	**10,956,823**	(1,918,543)	793,094	**(270,407)**
Net deferred tax assets	Ps.104,573,985	**Ps.86,613,327**			
Deferred tax expense in net profit for the year			Ps.18,285,052	Ps.5,151,492	**Ps.1,994,063**

(1) As of December 31, 2018, the balance included the effects of hyperinflation.

Reconciliation of deferred tax assets and liabilities, net:

	2016	2017	2018
Opening balance as of January 1,	Ps. 69,817,147	Ps. 98,589,818	**Ps. 104,573,985**
Deferred tax benefit	18,285,052	5,151,492	**1,994,063**
Translation effect	15,273,228	(1,687,276)	**(8,854,010)**
Deferred tax benefit (expense) recognized in OCI	(4,760,447)	2,760,313	**2,013,480**
Deferred taxes acquired in business combinations	(25,162)	(240,362)	**(25,827)**
Hyperinflationary effect in Argentina	—	—	**(4,907,151)**
Effect of adoption of IFRS 9 (Note 2ai)	—	—	**544,628**
Effect of adoption of IFRS 15 (Note 2ai)	—	—	**(8,725,841)**
Closing balance as of December 31,	Ps. 98,589,818	Ps. 104,573,985	**Ps. 86,613,327**
Presented in the consolidated statements of financial position as follows:			
Deferred income tax assets	Ps. 112,651,699	Ps. 116,571,349	**Ps. 111,186,768**
Deferred income tax liabilities	(14,061,881)	(11,997,364)	**(24,573,441)**
	Ps. 98,589,818	Ps. 104,573,985	**Ps. 86,613,327**

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 sufficient taxable income in subsequent periods to utilize or realize such assets.

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, 2017 and 2018, the balance of the contributed capital account ("CUCA") is Ps. 510,832,194 and Ps. 536,278,717, respectively. On January 1, 2014, the *Cuenta de Utilidad Fiscal Neta* ("CUFIN") is computed on an América Móvil's stand-alone basis. The balance of the América Móvil's stand-alone basis CUFIN amounted to Ps. 225,105,342 and Ps. 276,185,284 as of December 31, 2017 and 2018, respectively.

Corporate tax rate

The income tax rate applicable in Mexico from 2016 through 2018 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 2016, 2017 and 2018 are as follows:

	2016	2017	2018
Combined income before taxes	Ps. 45,697,258	Ps. 38,286,046	**Ps. 66,314,883**
Combined tax provision differences not deducible-not cumulative in the foreign subsidiaries	Ps. 9,169,083	Ps. 5,790,950	**Ps. 20,593,392**

The effective income tax rate for the Company's foreign jurisdictions was 20% in 2016, 15% in 2017 and 31% in 2018 as shown in the table above. The statutory tax rates in these jurisdictions vary, although many approximate 21% to 40%. The primary difference between the statutory rates and the effective rates in 2016, 2017 and 2018 was attributable to dividends received from KPN and other non-deductible items and non-taxable income.

iii) Tax losses

a) At December 31, 2018, 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, 2018	Tax loss carryforward benefit
Brazil	Ps. 59,695,441	**Ps. 20,296,450**
Austria	20,128,833	**5,032,208**
Mexico	6,043,603	**1,813,081**
Colombia	2,239,486	**739,030**
Nicaragua	2,403	**722**
Total	Ps. 88,109,766	**Ps. 27,881,491**

b) The tax loss carryforwards in the different countries in which the Company operates have the following terms and characteristics:

bi) The Company has accumulated Ps. 59,695,441 in net operating loss carryforwards (NOL's) in Brazil as of December 31, 2018. In Brazil there is no expiration of the NOL's. However, the NOL´s amount used against taxable income 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.

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 future taxable income 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 restructure in 2017 of its operations in Brazil, resulting in an organizational structure that is anticipated to be more efficient and profitable and generated taxable income in 2018.

bii) The Company has accumulated Ps. 20,128,833 in NOL's in Austria as of December 31, 2018. In Austria, the NOL´s have no expiration, but its annual usage is limited to 75% of the taxable income of the year. The realization of deferred tax assets is dependent upon the expected generation of future taxable income during the periods in which these temporary differences become deductible.

biii) The Company has accumulated $ 6,043,603 of tax losses in Mexico. The Mexican Tax Law establishes an optional regime for group companies called: Of the Optional Regime for Groups of Companies. For these purposes, the integrating (controlling) company must own more than 80% of the shares with voting rights of the integrated (controlled) companies. In general terms, the Integration regime allows to differ, for each of the companies that make up the group, and for up to three years, or sooner if certain assumptions are made, the whole of the ISR that results from considering the determination of the individual ISR to its charge is the effect derived from recognizing, indirectly, the tax losses incurred by the companies in the group for the year in question.

The company estimates that there is positive evidence that allows it to use these losses, these should be reduced to the extent that it is considered likely that there will be sufficient taxable profits to allow them to recover in full or in part, the losses will only be compensated when there is a right legally required and are approved by the tax authorities in Mexico.

14. Debt

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

	At December 31, 2017			(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	5.000%	2019	Ps. 14,840,025
	Fixed-rate Senior notes (i)	5.500%	2019	7,467,145
	Fixed-rate Senior notes (i)	5.000%	2020	42,043,077
	Fixed-rate Senior notes (i)	3.125%	2022	31,658,720
	Fixed-rate Senior notes (i)	6.375%	2035	19,417,282
	Fixed-rate Senior notes (i)	6.125%	2037	7,305,744
	Fixed-rate Senior notes (i)	6.125%	2040	39,573,400
	Fixed-rate Senior notes (i)	4.375%	2042	22,754,705
	Subtotal U.S. dollars			**Ps. 185,060,098**
Mexican pesos				
	Domestic Senior notes (i)	8.110%	2018	Ps. 1,750,000
	Domestic Senior notes (i)	8.270%	2018	1,160,110
	Domestic Senior notes (i)	8.600%	2020	7,000,000
	Domestic Senior notes (i)	0.000%	2025	4,409,873
	Domestic Senior notes (i)	8.360%	2037	5,000,000
	Fixed-rate Senior notes (i)	6.000%	2019	10,000,000
	Fixed-rate Senior notes (i)	6.450%	2022	22,500,000
	Fixed-rate Senior notes (i)	7.125%	2024	11,000,000
	Fixed-rate Senior notes (i)	8.460%	2036	7,871,700
	Subtotal Mexican pesos			**Ps. 70,691,683**
Euros				
	Fixed-rate Senior notes (i)	1.000%	2018	Ps. 14,252,360
	Fixed-rate Senior notes (i)	4.125%	2019	23,753,933
	Exchangeable Bonds (i)	0.000%	2020	67,504,878
	Fixed-rate Senior notes (i)	3.000%	2021	23,753,933
	Fixed-rate Senior notes (i)	3.125%	2021	18,727,775
	Fixed-rate Senior notes (i)	4.000%	2022	19,333,685
	Fixed-rate Senior notes (i)	4.750%	2022	17,815,450
	Fixed-rate Senior notes (i)	3.500%	2023	7,594,262
	Fixed-rate Senior notes (i)	3.259%	2023	17,815,450
	Fixed-rate Senior notes (i)	1.500%	2024	20,190,843
	Fixed-rate Senior notes (i)	1.500%	2026	17,815,450
	Fixed-rate Senior notes (i)	2.125%	2028	15,440,057
	Subtotal Euros			**Ps. 263,998,076**

At December 31, 2017				(Thousands of Mexican pesos)
Currency	Loan	Interest rate	Maturity	Total
Pounds sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 13,368,884
	Fixed-rate Senior notes (i)	5.750%	2030	17,379,549
	Fixed-rate Senior notes (i)	4.948%	2033	8,021,330
	Fixed-rate Senior notes (i)	4.375%	2041	20,053,326
	Subtotal Pounds sterling			**Ps. 58,823,089**
Swiss francs				
	Fixed-rate Senior notes (i)	1.125%	2018	Ps. 11,169,748
	Subtotal Swiss francs			**Ps. 11,169,748**
Brazilian reais				
	Debenture (i)	102.900% of CDI	2020	Ps. 8,972,204
	Promissory Note (i)	102.400% of CDI	2019	5,981,469
	Debenture (i)	103.900% of CDI	2019	5,981,469
	Subtotal Brazilian reais			**Ps. 20,935,142**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 2,282,608
	Subtotal Japanese yen			**Ps. 2,282,608**
Chilean pesos				
	Fixed-rate Senior notes (i)	3.961%	2035	Ps. 4,312,424
	Subtotal Chilean pesos			**Ps. 4,312,424**
	Subtotal other currencies			**Ps. 6,595,032**
Hybrid Notes				
Euros				
	Euro NC5 Series A Capital Securities (iii)	5.125%	2073	Ps. 21,378,540
	Euro NC10 Series B Capital Securities (iii)	6.375%	2073	13,064,663
	Subtotal Euros			**Ps. 34,443,203**
Pounds sterling				
	GBP NC7 Capital Securities (iii)	6.375%	2073	Ps. 14,705,772
	Subtotal Pounds sterling			**Ps. 14,705,772**
	Subtotal Hybrid Notes			**Ps. 49,148,975**

At December 31, 2017				(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Lines of Credit and others				
U.S. dollars				
	Lines of credit (ii)	L + 0.200% and 1.500% - 7.250%	2018 - 2019	Ps. 14,474,350
Mexican pesos				
	Lines of credit (ii)	TIIE + 0.040% - TIIE + 0.175%	2018 - 2019	Ps. 12,500,000
Brazilian reais				
	Lines of credit (ii)	107% of CDI - TJLP + 3.500% & 3.000% - 9.500%	2018 -2027	Ps. 4,389,260
Chilean pesos				
	Financial Leases	8.700% - 8.970%	2018 - 2027	Ps. 99,446
	Subtotal Lines of Credit and others			**Ps. 31,463,056**
	Total debt			**Ps. 697,884,899**
	Less: Short-term debt and current portion of long-term debt			**Ps. 51,745,841**
	Long-term debt			**Ps. 646,139,058**

At December 31, 2018				(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	5.000%	2019	Ps. 14,762,175
	Fixed-rate Senior notes (i)	5.500%	2019	7,427,972
	Fixed-rate Senior notes (i)	5.000%	2020	41,822,521
	Fixed-rate Senior notes (i)	3.125%	2022	31,492,640
	Fixed-rate Senior notes (i)	6.375%	2035	19,315,420
	Fixed-rate Senior notes (i)	6.125%	2037	7,267,419
	Fixed-rate Senior notes (i)	6.125%	2040	39,365,800
	Fixed-rate Senior notes (i)	4.375%	2042	22,635,335
	Subtotal U.S. dollars			**Ps. 184,089,282**
Mexican pesos				
	Fixed-rate Senior notes (i)	6.000%	2019	Ps. 10,000,000
	Domestic Senior notes (i)	8.600%	2020	7,000,000
	Fixed-rate Senior notes (i)	6.450%	2022	22,500,000
	Fixed-rate Senior notes (i)	7.125%	2024	11,000,000
	Domestic Senior notes (i)	0.000%	2025	4,629,425
	Fixed-rate Senior notes (i)	8.460%	2036	7,871,700
	Domestic Senior notes (i)	8.360%	2037	5,000,000
	Subtotal Mexican pesos			**Ps. 68,001,125**

	At December 31, 2018			(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Euros				
	Fixed-rate Senior notes (i)	4.125%	2019	Ps. 22,558,572
	Exchangeable Bonds (i)	0.000%	2020	64,107,851
	Fixed-rate Senior notes (i)	3.000%	2021	22,558,572
	Fixed-rate Senior notes (i)	3.125%	2021	17,568,739
	Fixed-rate Senior notes (i)	4.000%	2022	18,028,031
	Fixed-rate Senior notes (i)	4.750%	2022	16,918,929
	Fixed-rate Senior notes (i)	3.500%	2023	7,132,481
	Fixed-rate Senior notes (i)	3.259%	2023	16,918,929
	Fixed-rate Senior notes (i)	1.500%	2024	19,174,786
	Fixed-rate Senior notes (i)	1.500%	2026	16,918,929
	Fixed-rate Senior notes (i)	2.125%	2028	14,663,072
	Subtotal Euros			**Ps. 236,548,891**
Pounds sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 12,550,801
	Fixed-rate Senior notes (i)	5.750%	2030	16,316,042
	Fixed-rate Senior notes (i)	4.948%	2033	7,530,481
	Fixed-rate Senior notes (i)	4.375%	2041	18,826,202
	Subtotal Pounds sterling			**Ps. 55,223,526**
Brazilian reais				
	Debenture (i)	103.900% of CDI	2019	Ps. 5,079,720
	Promissory notes (i)	102.400% of CDI	2019	5,079,720
	Promissory notes (i)	103.205% of CDI	2019	1,828,699
	Debenture (i)	102.900% of CDI	2020	7,619,580
	Debenture (i)	104.000% of CDI	2021	5,587,692
	Debenture (i)	104.250% of CDI	2021	7,695,776
	Subtotal Brazilian reais			**Ps. 32,891,187**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 2,334,864
	Subtotal Japanese yen			**Ps. 2,334,864**
Chilean pesos				
	Fixed-rate Senior notes (i)	3.961%	2035	Ps. 3,904,707
	Subtotal Chilean pesos			**Ps. 3,904,707**
	Subtotal other currencies			**Ps. 6,239,571**
Hybrid Notes				
Euros				
	Euro NC10 Series B Capital Securities (iii)	6.375%	2073	Ps. 12,407,214
	Subtotal Euros			**Ps. 12,407,214**
Pounds sterling				
	GBP NC7 Capital Securities (iii)	6.375%	2073	Ps. 13,805,881
	Subtotal Pounds sterling			**Ps. 13,805,881**
	Subtotal Hybrid Notes			**26,213,095**

At December 31, 2018				(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Lines of Credit and others				
U.S. dollars				
	Lines of credit (ii)	L + 0.200% and 1.500% - 8.950%	2019 - 2021	Ps. 11,698,885
Mexican pesos				
	Lines of credit (ii)	TIIE + 0.175%	2019	Ps. 4,500,000
Euros				
	Lines of credit (ii)	-0.100% - 0.000%	2019	Ps. 5,526,850
Brazilian reais				
	Lines of credit (ii)	5.000% - 6.000%	2019 - 2027	Ps. 27,009
Peruvian Soles				
	Lines of credit (ii)	4.700% - 12.100%	2019	Ps. 7,898,595
Chilean pesos				
	Financial Leases	8.700% - 8.970%	2019 - 2027	Ps. 64,437
	Subtotal Lines of Credit and others			**Ps. 29,715,776**
	Total debt			**Ps. 638,922,453**
	Less: Short-term debt and current portion of long-term debt			**Ps. 96,230,634**
	Long-term debt			**Ps. 542,691,819**

L = LIBOR (London Interbank Offer Rate)

TIIE = Mexican Interbank Rate

EURIBOR = Euro Interbank Offered Rate

CDI = Brazil Interbank Deposit Rate

TJLP = Brazil Long Term Interest Rate

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, 2017, and December 31, 2018 was approximately 4.30% and 4.31%, 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 pay to international lenders.

An analysis of the Company’s short-term debt maturities as of December 31, 2017, and December 31, 2018, is as follows:

	2017	2018
Obligations and Senior Notes	Ps.28,994,496	**Ps.67,365,810**
Lines of credit	22,714,383	**28,852,364**
Financial Leases	36,962	**12,460**
Total	Ps.51,745,841	**Ps.96,230,634**
Weighted average interest rate	4.0%	**5.20%**

The Company's long-term debt maturities as of December 31, 2018 are as follows:

Years	Amount
2020	**Ps. 121,184,630**
2021	**54,189,122**
2022	**88,027,828**
2023 and thereafter	**279,290,239**
Total	**Ps. 542,691,819**

(i) Senior Notes

The outstanding Senior Notes at December 31, 2017, and December 31, 2018, are as follows:

Currency*	2017	2018
U.S. dollars	Ps. 185,060,098	**Ps.184,089,282**
Mexican pesos	70,691,683	**68,001,125**
Euros**	263,998,076	**236,548,891**
Pounds sterling**	58,823,089	**55,223,526**
Swiss francs	11,169,748	**—**
Brazilian reais	20,935,142	**32,891,187**
Japanese yens	2,282,608	**2,334,864**
Chilean pesos	4,312,424	**3,904,707**

* Thousands of Mexican pesos
** Includes secured and unsecured senior notes.

(ii) Lines of credit

At December 31, 2017, and December 31, 2018, debt under lines of credit aggregated to Ps. $31,364 million and Ps. $29,651 million, respectively.

The Company has two revolving syndicated credit facilities, one for the Euro equivalent of U.S. $2,000 million and the other for U.S. $2,500 million maturing in 2021 and 2019, respectively. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2018, these credit facilities were undrawn. Telekom Austria has also an undrawn revolving syndicated credit facility in Euros for €1,000 million that matures in 2019.

(iii) Hybrid Notes

On September 2013, the Company issued three series of Capital Securities (hybrid notes) maturing in 2073: two series denominated in Euros for €1,450 million with a coupon of 5.125% and 6.375% respectively, and one series denominated in pounds sterling in the amount of £550 million with a coupon of 6.375%. The Capital Securities are deeply subordinated, and when they were issued the principal rating agencies stated that they would treat only half of the principal amount as indebtedness for purposes of evaluating our leverage (an analysis referred to as 50.0% equity credit). The Capital Securities are subject to redemption at our option at varying dates beginning in 2018 and 2023, respectively, for the euro-denominated series and beginning in 2020 for the sterling-denominated series.

On September 2018, we exercised the option to call our hybrid bond with a maturity date in 2073 for a total amount of €900 million euros.

KPN

On September 2018, América Móvil delivered 224,695,844 KPN shares, equivalent to 5% of the total outstanding shares, after the maturity of a mandatory conversion bond with a nominal outstanding amount of €750 million Euros.

The transaction represented the sale of those shares at an effective price of €3.3374 euros per share.

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 December 31, 2018, 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 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 its current shareholders continue to hold the majority of the Company's voting shares.

"Covenants"

In conformity with the credit agreements, the Company is obliged 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 of 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 does 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 may be accelerated, at the option of the debt holder in the case that a change in control occurs.

At December 31, 2018, the Company was in compliance with all the covenants.

15. Accounts payable, accrued liabilities and asset retirement obligations

a) The components of the caption accounts payable and accrued liabilities are as follows:

	At December 31,	
	2017	**2018**
Suppliers	Ps. 106,483,848	**Ps. 118,406,380**
Sundry creditors	91,842,929	**91,087,197**
Interest payable	8,930,561	**8,535,519**
Guarantee deposits from customers	1,460,286	**1,421,336**
Dividends payable	3,955,783	**2,506,835**
Total	Ps. 212,673,407	**Ps. 221,957,267**

b) The balance of accrued liabilities at December 31, 2017 and 2018 are as follows:

	At December 31,	
	2017	**2018**
Current liabilities		
Direct employee benefits payable	Ps. 16,673,627	**Ps. 16,152,118**
Contingencies	51,079,131	**40,281,573**
Total	Ps. 67,752,758	**Ps. 56,433,691**

The movements in contingencies for the years ended December 31, 2017 and 2018 are as follows:

	Balance at December 31, 2016	Business combination	Effect of translation	Increase of the year	Applications		Balance at December 31, 2017
					Payments	Reversals	
Contingencies	Ps. 50,766,070	Ps. 115,971	Ps. (648,685)	Ps. 10,510,473	Ps. (7,618,520)	Ps. (2,046,178)	Ps. 51,079,131

	Balance at December 31, 2017	Business combination	Effect of translation	Increase of the year	Applications		Balance at December 31, 2018
					Payments	Reversals	
Contingencies	**Ps. 51,079,131**	**Ps. 7,812**	**Ps. (5,729,826)**	**Ps. 15,683,252**	**Ps. (6,203,329)**	**Ps. (14,555,467)**	**Ps. 40,281,573**

Contingencies include tax, labor, regulatory and other legal type contingencies. See Note 16 c) for detail of contingencies.

c) The movements in the asset retirement obligations for the years ended December 31, 2017 and 2018 are as follows:

	Balance at December 31, 2016	Effect of translation	Increase of the year	Applications		Balance at December 31, 2017
				Payments	Reversals	
Asset retirement obligations	Ps. 16,288,631	Ps. (119,928)	Ps. 3,160,320	Ps. (126,088)	Ps. (957,806)	Ps. 18,245,129

	Balance at December 31, 2017	Effect of translation	Increase of the year	Applications		Balance at December 31, 2018
				Payments	Reversals	
Asset retirement obligations	**Ps. 18,245,129**	**Ps. (2,020,853)**	**Ps. 1,062,745**	**Ps. (151,364)**	**Ps. (1,164,056)**	**Ps. 15,971,601**

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. Commitments and Contingencies

a) Leases

At December 31, 2017 and 2018, 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 towers and or premises where the Company has installed radio bases.

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 (INPC).

The Company has the following non-cancelable commitments under finance leases:

Year ended December 31,	
2019	**Ps. 22,920**
2020	**13,365**
2021	**12,068**
2022	**10,751**
2023	**9,399**
2024 and thereafter	**34,011**
Total	**Ps. 102,514**
Less: amounts representing finance charges	**23,837**
Present value of net minimum lease payments	**78,677**
Less current portion	**14,240**
Long-term obligations	**Ps. 64,437**

An analysis of non-cancellable operating leases is as follows:

Year ended December 31,	
2019	**Ps. 24,034,366**
2020	**22,104,366**
2021	**15,522,020**
2022	**14,250,332**
2023	**12,046,800**
2024 and thereafter	**49,991,937**
Total	**Ps. 137,949,821**

Rent expense for the years ended December 31, 2016, 2017 and 2018 was Ps. 32,300,963, Ps. 35,571,283 and Ps. 34,421,817, respectively.

b) Commitments

The Company and its subsidiaries have commitments that mature on different dates, referring to CAPEX and cell phone purchases.

As of December 31, 2018, the total amounts equivalent to the contract period are detailed below:

Year ended December 31,	
2019	**Ps. 88,233,626**
2020	68,170,083
2021	55,358,156
2022	13,322,961
Total	**Ps. 225,084,826**

c) Contingencies

I. MEXICO

Tax Assessment and Fine

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

In 2012, the SAT notified the Company and its subsidiary Sercotel, S.A. de C.V. ("Sercotel") of a fine of approximately Ps. 1,400,000 for alleged tax improprieties arising from the transfer of certain accounts receivable from one of the Company's subsidiaries to Sercotel. In 2014, the Company challenged the fine and a final resolution is pending. The Company has not established a provision in the accompanying consolidated financial statements for a loss arising from this fine, which the Company does not consider probable.

Telcel Mobile Termination Rates

The mobile termination rates between Telcel and other network operators have been the subject of various legal proceedings. With respect to the interconnection fees for 2017, 2018 and 2019, Telcel has challenged the applicable resolutions and final resolutions are pending.

Given the fact that the “zero rate” that prevented Telcel from charging interconnection rates in its mobile network was held unconstitutional by the (*Suprema Corte de Justicia de la Nación* “SCJN”), the IFT has determined asymmetric interconnection rates for the termination of traffic in Telcel’s and other operators’ networks for 2018 and 2019. The resolutions setting such rates have been challenged by Telcel and final resolutions are pending.

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 in Mexico. The Company cannot predict when or how these matters will be resolved or the financial effects of any such resolution.

Class Action Lawsuits

Telcel is subject to two class action lawsuits initiated by customers allegedly affected by Telcel’s quality of service and wireless and broadband rates. The Company cannot assess whether these class action lawsuits could have an adverse effect on the Company’s business and results of operations in the event that they are resolved against Telcel due to the lack of factual and legal claims underlying these proceedings. Consequently, the Company has not established a provision in the accompanying consolidated financial statements for a loss arising from these proceedings.

IFT Proceedings Against Telmex

In 2008, Telmex entered into certain commercial agreements with Dish México Holdings, S. de R.L. de C.V. and related companies (“Dish”), involving billing, collection services, distribution and equipment leasing. In addition, Telmex had an option to purchase shares representing 51% of the capital stock of Dish México, S. de R.L. de C.V. (“Dish México”). In 2014, Telmex waived its rights under the option.

In 2015, the IFT imposed a fine of Ps. 14,414 on Telmex on the grounds that the IFT was not notified of an alleged merger (*concentración*) between Telmex and Dish in 2008. Telmex filed an appeal for relief (*amparo*) and a final resolution is pending.

In 2015, in relation with some Dish operations, the IFT initiated several proceedings in order to determine potential violations of (i) Telmex’s concession, with respect to an alleged indirect exploitation of a public television services concession, which in 2019, the appeal for relief was granted by a competent court (*Tribunal Colegiado)*; the Company cannot predict the outcome of such proceedings, and (ii) certain provisions of the Mexican Constitution (*Constitución Política de los Estados Unidos Mexicanos*) and the Federal Telecommunications and Broadcasting Law (*Ley Federal de Telecomunicaciones y Radiodifusión*) regarding the cost-free rule of re-transmission of television broadcast signals (commonly known as “must offer”), through other operators. In 2018, the IFT absolved Telmex and Dish from any responsibility in connection with the sanction procedure initiated by the IFT for the alleged violation of item (ii) above.

In 2018, the IFT imposed a fine of Ps. 2,543,937 on Telmex relating to a sanction procedure triggered by the alleged breach in 2013 and 2014 of certain minimum quality goals for link services. Telmex challenged this fine and a final resolution is pending.

II. BRAZIL

a. Tax Matters

ICMS

As of December 31, 2018, the Company’s Brazilian subsidiaries Claro Brasil, Primesys Soluções Empresariais S.A. (“Primesys”), Telmex Do Brasil Ltda. (“TdB”), Americel S.A. (“Americel”), Brasil Telecomunicações S.A.

(“BrTel”) and TVSAT Telecomunicações S.A. (“TV SAT”), had aggregate tax contingencies related to value-added tax (“ICMS”) of approximately Ps. 55,455,306 (R$ 10,917,000). As of December 31, 2018, the Company has established a provision of Ps. 3,362,775 (R$ 662,000) in the accompanying consolidated financial statements for the losses arising from these contingencies which the Company considers probable. Such ICMS contingencies include the following tax assessments which the Company does not consider probable and therefore, has not established a provision in the accompanying consolidated financial statements:

- Tax assessments against Star One, S.A. (currently Claro Brasil as surviving entity of merger) in the amount of Ps. 21,167,194 (R$ 4,167,000) based on allegations that the provision of satellite capacity is subject to ICMS. The Company is contesting these tax assessments in separate proceedings at different litigation stages and has obtained favorable judicial decisions in two proceedings.
- Tax assessments against Claro Brasil and Americel in the amount of Ps. 5,861,997 (R$ 1,154,000), due to a decision that held certain benefits granted by the Brazilian states unconstitutional.
- Tax assessment against Primesys in the amount of Ps. 3,916,464 (R$ 771,000), related to ICMS over certain activities not deemed to be part of data communication services.

CSLL/IRPJ

As of December 31, 2018 Claro Brasil, Americel, BrTel, and TV SAT had aggregate tax contingencies related to Social Contribution on Net income (“CSLL”) and Corporate Income Tax (“IRPJ”) in the amount of Ps. 17,779,021 (R$ 3,500,000). As of December 31, 2018, the Company has established a provision of Ps. 4,835,894 (R$ 952,000) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

The aforementioned CSLL/IRPJ contingencies include a tax assessment against Claro Brasil in the amount of Ps. 10,906,159 (R$ 2,147,000) alleging the undue amortization of goodwill amounts between 2009 and 2012, and charging CSLL, IRPJ and penalties due to the late payment of taxes. Claro Brasil has challenged this assessment at the administrative level and a final resolution is pending. The Company has established a provision of Ps. 558,769 (R$ 110,000) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

PIS/COFINS

As of December 31, 2018, Claro Brasil, Americel, TdB, Primesys and Brasil Center Comunicações Ltda. (“Brasil Center”) had aggregate tax assessments related to Social Integration Program (“PIS”) and Contribution for Social Security Financing (“COFINS”) in the amount of Ps. 16,488,772 (R$ 3,246,000). As of December 31, 2018, the Company has established a provision of Ps. 5,861,997 (R$ 1,154,000) in the accompanying consolidated financial statements for the losses arising from the PIS/COFINS assessments, which the Company considers probable. With respect to such PIS/COFINS assessments:

- Claro Brasil and Americel have commenced lawsuits against the Brazilian Federal Revenue Service seeking a ruling on constitutional grounds to exclude interconnection fees from the base used to calculate PIS and COFINS tax obligations. Pending a final resolution and pursuant to applicable Brazilian procedure, the companies have paid the tax based on their position in the lawsuits and have established a provision for the disputed amounts. As of December 31, 2018, the total amount in dispute was approximately Ps. 5,221,952 (R$ 1,028,000).
- Tax assessments against Claro Brasil and Americel related to the offset of PIS and COFINS credits recorded in the noncumulative method in an amount of Ps. 8,183,429 (approximately R$ 1,611,000) as of December 31, 2018. The Company has not established a provision in the accompanying consolidated financial statements to cover the losses arising from this contingency, which the Company does not consider probable.

As of September 30, 2018, based on a favorable decision from the Brazilian Supreme Court concerning the exclusion of ICMS from PIS and COFINS, the Company reverted the provision of Ps. 13,034,562 (R$2,566,000).

FUST/FUNTTEL

Anatel has initiated administrative proceedings against Claro Brasil, Americel, Primesys, TdB, BrTel and TVSAT in an aggregate amount of Ps. 14,223,217 (R$ 2,800,000) mainly based on an allegedly improper exclusion of interconnection revenues and costs from the basis used to calculate its Fund for Universal Telecommunication Services ("FUST") obligations. The companies are contesting these assessments. As of December 31, 2018, the Company has established a provision of Ps. 1,706,786 (R$ 336,000) in the accompanying consolidated financial statements to cover the losses arising from these assessments, which the Company considers probable.

In addition, the Brazilian Ministry of Communications (*Ministério das Comunicações*) has initiated administrative proceedings against Claro Brasil, Americel, Primesys, TdB, BrTel and TVSAT totaling an amount of Ps. 5,115,278 (R$ 1,007,000) as of December 31, 2018, due to an alleged underpayment of their obligations to the telecommunications Technology Development Fund ("FUNTTEL"). The companies have challenged these assessments and a final resolution is pending. As of December 31, 2018, the Company has established a provision of Ps. 5,080 (R$ 1,000) in the accompanying consolidated financial statements to cover the losses arising from these assessments, which the Company considers probable.

ISS

The Municipal Revenue Services have issued tax assessments against Claro Brasil, Brasil Center and Primesys, totaling an aggregate amount of approximately Ps. 3,637,080 (R$ 716,000) due to the alleged nonpayment of Brazilian Services tax ("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 a final resolution is pending. As of December 31, 2018, the Company has established a provision of Ps. 25,399 (R$ 5,000) in the accompanying financial statements for the losses arising from these assessments, which the Company considers probable.

TFI

As of December 31, 2018, Anatel fined Claro Brasil and Americel a total of Ps. 13,207,273 (R$ 2,600,000), for an unpaid installation inspection fee (*Taxa de Fiscalização de Instalação,* or "TFI") allegedly due for the renovation of radio base stations. Claro Brasil and Americel have challenged the fine, arguing that there was no new equipment installation that could lead to this charge, and a final resolution is pending. The Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from these proceedings, which the Company does not consider probable.

Other Tax Contingencies

There are other several tax contingencies involving Claro Brasil, Americel, TdB and Primesys in an aggregate amount of Ps. 12,394,517 (R$ 2,440,000) related to a variety of taxes and government programs. As of December 31, 2018, the Company has established a provision of Ps. 1,117,538 (R$ 220,000) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

b. Regulatory Matters

Inflation-Related Adjustments

Anatel has challenged the calculation of inflation-related adjustments due under the concession agreements with Tess S.A. (“Tess”), and Algar Telecom Leste S.A. (“ATL”), two of the Company’s subsidiaries that were previously merged into Claro Brasil. Anatel rejected Tess and ATL’s calculation of the inflation-related adjustments applicable to 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 have filed declaratory and consignment actions seeking the resolution of the disputes and have obtained injunctions from a federal appeals court suspending payment until the pending appeals are resolved.

The amount of the alleged shortfall as well as the method used to calculate monetary corrections are in dispute. If other methods or assumptions are applied, the amount may increase. In 2018, Anatel calculated the monetary correction in a total amount of Ps. 19,302,937 (R$ 3,800,000). As of December 31, 2018, the Company has established a provision of Ps. 3,419,668 (R$ 673,200) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

III. ECUADOR

In 2014, following a regulatory claim filed in 2012 by state-owned operator *Corporación Nacional de Telecomunicaciones* (“CNT”), the Superintendency of Control of Market Power (*Superintendencia de Control del Poder del Mercado,* or “SCPM”), imposed a fine of Ps.2,724,113 (US$138,400), on Conecel for alleged monopolistic practices. CNT alleged that Conecel had exclusive rights to deploy its network in five locations and thereby prevented CNT from deploying its own network in the same locations. Conecel challenged the fine before the Administrative Dispute Tribunal (*Tribunal de lo Contencioso Administrativo*), denying any wrongdoing and contends that CNT had other alternative sites in the same locations where it could have deployed its network.

In 2018, the Administrative Dispute Tribunal (*Tribunal de lo Contencioso* Administrativo), issued a ruling in favor of Conecel, declaring the fine null and void. The SCPM filed an appeal before the National Court of Justice and the appeal was declared inadmissible by such Court on March 14, 2019; nevertheless, this decision may not be final.

17. Employee Benefits

An analysis of the net liability and net period cost for employee benefits is as follows:

	At December 31,	
	2017	2018
Liability:		
Mexico	Ps. 84,821,197	**Ps. 85,517,190**
Puerto Rico	13,962,128	**13,986,596**
Europe	14,833,840	**12,705,926**
Brazil	6,276,780	**5,666,694**
Ecuador	403,194	**448,608**
Total	Ps. 120,297,139	**Ps. 118,325,014**

	For the year ended December 31,		
	2016	2017	2018
Net period cost (benefit)			
Mexico	Ps. 12,281,154	Ps. 11,586,065	**Ps. 12,046,208**
Puerto Rico	1,058,131	776,238	**686,067**
Europe	226,447	385,689	**619,039**
Brazil	633,159	735,855	**579,432**
Ecuador	41,380	152,335	**58,354**
Total	Ps. 14,240,271	Ps. 13,636,182	**Ps. 13,989,100**

a) Defined benefit plan

The defined benefit obligation (DBO) and plan assets for the pension and other benefit obligation plans, by country, are as follows:

	At December 31							
	2017				2018			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Mexico	Ps. 266,304,948	Ps. (182,539,376)	Ps. —	Ps. 83,765,572	**Ps. 247,997,060**	**Ps. (163,404,418)**	**Ps. —**	**Ps. 84,592,642**
Puerto Rico	38,711,695	(24,749,567)	—	13,962,128	**35,220,889**	**(21,234,293)**	**—**	**13,986,596**
Brazil	19,369,664	(20,399,661)	6,519,560	5,489,563	**18,795,315**	**(19,032,411)**	**5,087,543**	**4,850,447**
Europe	4,554,912	—	—	4,554,912	**4,477,042**	**—**	**—**	**4,477,042**
Total	Ps. 328,941,219	Ps. (227,688,604)	Ps. 6,519,560	Ps. 107,772,175	**Ps. 306,490,306**	**Ps. (203,671,122)**	**Ps. 5,087,543**	**Ps. 107,906,727**

Below is a summary of the actuarial results generated for the pension and retirement plans as well as the medical services in Puerto Rico and Brazil; the pension plans and seniority premiums related to Telmex; the pension plan, the service awards plan and severance in Austria corresponding to the years ended December 31, 2016, 2017 and 2018:

	At December 31, 2016			
	DBO	**Plan Assets**	**Effect of asset celling**	**Net employee benefit**
Balance at the beginning of the year	Ps. 314,049,729	Ps. (212,234,440)	Ps. 4,823,147	Ps. 106,638,436
Current service cost	4,606,856			4,606,856
Interest cost on projected benefit obligation	27,275,363			27,275,363
Expected return on plan assets		(18,972,042)		(18,972,042)
Changes in the asset ceiling during the period and others			875,192	875,192
Past service costs and other		165,851		165,851
Actuarial gain for changes in experience	(28,867)			(28,867)
Actuarial loss from changes in financial assumptions	7,784			7,784
Net period cost	Ps. 31,861,136	Ps. (18,806,191)	Ps. 875,192	Ps. 13,930,137
Actuarial gain for changes in experience	(20,976,837)			(20,976,837)
Actuarial loss from changes in demographic assumptions	397,985			397,985
Actuarial loss from changes in financial assumptions	1,718,189			1,718,189
Changes in the asset ceiling during the period and others			(754,535)	(754,535)
Return on plan assets greater than discount rate		(4,724,041)		(4,724,041)
Recognized in other comprehensive income	Ps. (18,860,663)	Ps. (4,724,041)	Ps. (754,535)	Ps. (24,339,239)
Contributions made by plan participants	255,760	(255,760)		—
Contributions to the pension plan made by the Company		(2,756,519)		(2,756,519)
Benefits paid	(25,694,301)	25,517,599		(176,702)
Payments to employees	(525,612)			(525,612)
Effect of translation	12,196,546	(9,086,269)	2,139,414	5,249,691
Others	Ps. (13,767,607)	Ps. 13,419,051	Ps. 2,139,414	Ps. 1,790,858
Balance at the end of the year	313,282,595	(222,345,621)	7,083,218	98,020,192
Less short-term portion	(152,448)			(152,448)
Non-current obligation	Ps. 313,130,147	Ps. (222,345,621)	Ps. 7,083,218	Ps. 97,867,744

	At December 31, 2017			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Balance at the beginning of the year	Ps. 313,282,595	Ps. (222,345,621)	Ps. 7,083,218	Ps. 98,020,192
Current service cost	4,285,693			4,285,693
Interest cost on projected benefit obligation	28,922,385			28,922,385
Expected return on plan assets		(20,916,104)		(20,916,104)
Changes in the asset ceiling during the period and others			716,330	716,330
Past service costs and other		53,032		53,032
Actuarial gain for changes in experience	(35,145)			(35,145)
Actuarial gain from changes in demographic assumptions	(85)			(85)
Actuarial gain from changes in financial assumptions	(4,294)			(4,294)
Net period cost	Ps. 33,168,554	Ps. (20,863,072)	Ps. 716,330	Ps. 13,021,812
Actuarial loss for changes in experience	11,671,860			11,671,860
Actuarial gain from changes in demographic assumptions	(381,172)			(381,172)
Actuarial loss from changes in financial assumptions	2,438,078			2,438,078
Changes in the asset ceiling during the period and others			(856,188)	(856,188)
Return on plan assets greater than discount rate		(2,483,430)		(2,483,430)
Recognized in other comprehensive income	Ps. 13,728,766	Ps. (2,483,430)	Ps. (856,188)	Ps. 10,389,148
Contributions made by plan participants	198,713	(198,713)		—
Contributions to the pension plan made by the Company		(2,697,621)		(2,697,621)
Benefits paid	(18,841,754)	18,841,754		—
Payments to employees	(9,843,743)			(9,843,743)
Effect of translation	(2,579,506)	2,058,099	(423,800)	(945,207)
Others	Ps. (31,066,290)	Ps. 18,003,519	Ps. (423,800)	Ps. (13,486,571)
Balance at the end of the year	329,113,625	(227,688,604)	6,519,560	107,944,581
Less short-term portion	(172,406)			(172,406)
Non-current obligation	Ps. 328,941,219	Ps. (227,688,604)	Ps. 6,519,560	Ps. 107,772,175

	At December 31, 2018			
	DBO	**Plan Assests**	**Effect of asset celling**	**Net employee benefit liability**
Balance at the beginning of the year	**Ps. 329,113,625**	**Ps. (227,688,604)**	**Ps. 6,519,560**	**Ps. 107,944,581**
Current service cost	**3,322,813**			**3,322,813**
Interest cost on projected benefit obligation	**30,185,257**			**30,185,257**
Expected return on plan assets		**(20,804,104)**		**(20,804,104)**
Changes in the asset ceiling during the period and others			**587,373**	**587,373**
Past service costs and other		**157,765**		**157,765**
Actuarial gain for changes in experience	**(7,222)**			**(7,222)**
Actuarial loss from changes in demographic assumptions	**134,625**			**134,625**
Actuarial gain from changes in financial assumptions	**(24,890)**			**(24,890)**
Net period cost	**Ps. 33,610,583**	**Ps. (20,646,339)**	**Ps. 587,373**	**Ps. 13,551,617**
Actuarial gain for changes in experience	**(21,283,470)**			**(21,283,470)**
Actuarial loss from changes in demographic assumptions	**68,482**			**68,482**
Actuarial gain from changes in financial assumptions	**(1,246,539)**			**(1,246,539)**
Changes in the asset ceiling during the period and others			**(1,055,409)**	**(1,055,409)**
Return on plan assets greater than discount rate		**23,503,296**		**23,503,296**
Recognized in other comprehensive income	**Ps. (22,461,527)**	**Ps. 23,503,296**	**Ps. (1,055,409)**	**Ps. (13,640)**
Contributions made by plan participants	**173,722**	**(173,722)**		**—**
Contributions to the pension plan made by the Company		**(1,565,792)**		**(1,565,792)**
Benefits paid	**(19,546,541)**	**19,546,541**		**—**
Payments to employees	**(10,651,938)**			**(10,651,938)**
Effect of translation	**(3,535,477)**	**3,353,498**	**(963,981)**	**(1,145,960)**
Others	**Ps. (33,560,234)**	**Ps. 21,160,525**	**Ps. (963,981)**	**Ps. (13,363,690)**
Balance at the end of the year	**306,702,447**	**(203,671,122)**	**5,087,543**	**108,118,868**
Less short-term portion	**(212,141)**			**(212,141)**
Non-current obligation	**Ps. 306,490,306**	**Ps. (203,671,122)**	**Ps. 5,087,543**	**Ps. 107,906,727**

In the case of other subsidiaries in Mexico, the net period cost (income) of other employee benefits for the years ended December 31, 2016, 2017 and 2018 was Ps. 200,455, Ps. 165,884 and Ps. (16,347), respectively. The balance of employee benefits at December 31, 2017 and 2018 was Ps. 1,055,625 and Ps. 924,548, respectively.

In the case of other subsidiaries in Brazil, the net period cost of other employee benefits for the years ended December 31, 2016, 2017 and 2018 was Ps. 65,101, Ps.93,742 and Ps. 98,658, respectively. The balance of employee benefits at December 31, 2017 and 2018 was Ps. 650,815 and Ps. 724,009, respectively.

In the case of Ecuador, the net period cost of other employee benefits for the years ended December 31, 2016, 2017 and 2018 was Ps. 41,380, Ps.152,335 and Ps. 58,354, respectively. The balance of employee benefits at December 31, 2017 and 2018 was Ps. 403,194 and Ps. 448,608, respectively.

Plan assets are invested in:

	At December 31					
	2017			2018		
	Puerto Rico	Brazil	Mexico	Puerto Rico	Brazil	Mexico
Equity instruments	37%	6%	61%	**37%**	**—**	**39%**
Debt instruments	61%	88%	39%	**60%**	**94%**	**61%**
Others	2%	6%	—	**3%**	**6%**	**—**
	100%	100%	100%	**100%**	**100%**	**100%**

Included in the Telmex's net pension plan liability are plan assets of Ps. 182,539,376 and Ps. 163,404,418 as of December 31, 2017 and 2018, respectively, of which 32.0% and 30.4% during 2017 and 2018, respectively, were invested in equity and debt instruments of both América Movil and also of related parties, primarily entities that are under common control of the Company's principal shareholder. The Telmex pension plan recorded a re-measurement of its defined pension plan of Ps. 12,394,617 and Ps. (1,141,142) during 2017 and 2018, respectively, attributable to a change in actuarial assumptions, and also a decline in the fair value of plan investments from December 31, 2017 to December 31, 2018. The decrease in fair value of the aforementioned related party pension plan investments approximated Ps. 437,663 and Ps. 21,279,760 during the year ended December 31, 2017 and 2018, respectively.

The assumptions used in determining the net period cost were as follows:

	2016				2017				2018			
	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe
Discount rate and long-term rate return	4.16%	10.84%	10.70%	1.0%, 1.5% & 1.75%	3.61%	10.18%	10.70%	1.0%, 1.5% & 2.00%	**4.45%**	**9.10%**	**11.81%**	**1.25%, 1.75% & 2.00%**
Rate of future salary increases	3.50%	4.85%	4.50%	3.0.%, 3.9% & 4.4%	2.75%	4.50%	4.50%	3.0.%, 3.5% & 4.4%	**2.75%**	**4.00%**	**3.55%**	**3.0.%, 3.5% & 4.4%**
Percentage of increase in health care costs for the coming year	4.20%	11.35%			3.57%	11.00%			**3.87%**	**10.50%**		
Year to which this level will be maintained	N/A	2017			N/A	2028			**N/A**	**2029**		
Rate of increase of pensions			3.83%	1.60%			3.83%	1.60%			**3.47%**	**1.60%**
Employee turnover rate*				0.0%-1.88%				0.0%-1.72%				**0.0%-1.51%**

* Depending on years of service

Biometric

Puerto Rico:	
Mortality:	RP 2014, MSS 2018 Tables.
Disability:	1985 Pension Disability Table
Brazil:	
Mortality:	2000 Basic AT Table for gender
Disability for assets:	UP 84 modified table for gender
Disability retirement:	80 CSO Code Table
Rotation:	Probability of leaving the Company other than death, Disability and retirement is zero

Europe

Life expectancy in Austria is base on “AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler” (2017: “AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler”).

Telmex

Mortality:	Mexican 2000 (CNSF) adjusted
Disability:	Mexican Social Security adjusted by Telmex experience
Turnover:	Telmex experience
Retirement:	Telmex experience

For the year ended December 31, 2018, the Company conducted a sensitivity analysis on the most significant variables that affect the DBO, simulating independently, reasonable changes to roughly 100 basis points in each of these variables. The increase (decrease) would have resulted in the DBO pension and other benefits at December 31, 2018 are as follows:

	-100 points	+100 points
Discount rate	Ps. 37,185,664	Ps. (38,604,684)
Health care cost trend rate	Ps. (651,697)	Ps. 761,278

Telmex Plans

Part of the Telmex´s employees are covered under defined benefit pension plans and seniority premiums. Pension benefits and seniority premiums are determined on the basis of compensation received by the employees in their final year of employment, their seniority, and their age at the time of retirement. Telmex has set up an irrevocable trust fund to finance these employee benefits and has adopted the policy of making contributions to such fund when it is considered necessary.

Defined benefits plan in Austria

Telekom Austria Group 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. Telekom Austria Group is exposed to the risk of development of life expectancy and inflation because the benefits from pension plans are lifetime benefits. Furthermore, approximately 7% of the pension benefit obligations at December 31, 2018 relate to the employees of the company Akenes in Lausanne, acquired in 2017.

Service awards in Austria

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 specific legal regulations 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 risk Telekom Austria Group is exposed to is mainly the risk of development of salary increases and changes of interest rates.

Severance in Austria

Employees starting to work for Telekom Austria Group in Austria on or after 1 January 2003 are covered by a defined contribution plan. Telekom Austria Group paid Ps. 46,084 and Ps. 53,755 (1.53% of the salary) into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG) in 2017 and 2018, respectively.

Severance benefit obligations for employees hired before 1 January 2003, excluding civil servants, are covered by defined benefit plans. Upon termination by Telekom Austria Group 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. In case of death, the heirs of eligible employees receive 50% of the severance benefits. Telekom Austria Group is exposed to the risk of development of salary increases and changes of interest rates.

b) The defined contribution plans (DCP)

Brazil

Claro makes contributions to the DCP through Embratel Social Security Fund—Telos. Contributions are computed based on the salaries of the employees, who decide on the percentage of their contributions to the plan (participants enrolled before October 31st, 2014 is from 3% to 8% and, for those subscribed after that date, the contribution is from 1% to 7% of their salaries). Claro contributes the same percentage as the employee, capped at 8% of the participant’s balance for the employees that are eligible to participate in this plan.

The unfunded liability represents Claro’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, 2017 and 2018, the balance of the DCP liability was Ps. 136,402 and Ps. 92,238, respectively.

For the years ended December 31, 2016, 2017 and 2018 the cost (income) of labor were Ps. (935), Ps. 374 and Ps. 2,377, respectively.

Europe

In Austria, pension benefits are generally provided by the social security system, for employees, and by the government, for civil servants. The contributions of 12.55% that A1 Telekom Austria Group made in 2017 and 2018 to the social security system and the government in Austria, amount to Ps. 1,309,157 and Ps.1,420,446, respectively. Contributions of the foreign subsidiaries into the respective systems range between 7% and 29% and amount to Ps. 453,641 and Ps. 518,607 in 2017 and 2018, respectively.

Additionally, Telekom Austria Group sponsors a defined contribution plan for employees of some of its Austrian subsidiaries. Telekom Austria Group’s contributions to this plan are based on a percentage of the compensation not exceeding 5%. The annual expenses for this plan amounted to Ps. 258,891, Ps. 256,507 and Ps. 272,453 in 2016, 2017 and 2018, respectively.

As of December 31, 2017 and 2018 the liability related to this defined contribution plan amounted to Ps. 120,892 and Ps. 116,244, respectively.

Other countries

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.

Long- term direct employee benefits

	Balance at December 31, 2016	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2017
Long-term direct employee benefits	Ps. 11,251,499	Ps. 795,581	Ps. 771,274	Ps. (2,077,632)	Ps. (582,686)	Ps. 10,158,036

	Balance at December 31, 2017	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2018
Long-term direct employee benefits	**Ps. 10,158,036**	**Ps. (493,795)**	**Ps. 1,750,831**	**Ps. (2,079,880)**	**Ps. (1,223,414)**	**Ps. 8,111,778**

In 2008, a comprehensive restructuring program was initiated in the segment Austria. The provision for restructuring includes future compensation of employees who will no longer provide services for Telekom Austria Group but who cannot be laid off due to their status as civil servants. These employment 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. In 2009 and every year from 2011 to 2018, new social plans were initiated which provide for early retirement, special severance packages and golden handshake options. Due to their nature as termination benefits, these social plans are accounted for according to IAS 19.

18. Financial Assets and Liabilities

Set out below is the categorization of the financial instruments, excluding cash and cash equivalents, held by the Company as of December 31, 2017 and 2018:

	December 31, 2017		
	Loans and Receivables	Fair value through profit or loss	Fair value through OCI
Financial Assets:			
Equity investments at fair value through OCI and other short term investments	Ps. 12,438,019	Ps. —	Ps. 46,682,657
Accounts receivable from subscribers, distributors, contractual assets and other	163,085,537	—	—
Related parties	868,230	—	—
Derivative financial instruments	—	8,037,384	—
Total	Ps. 176,391,786	Ps. 8,037,384	Ps. 46,682,657
Financial Liabilities:			
Debt	Ps. 697,884,899	Ps. —	Ps. —
Accounts payable	212,673,407	—	—
Related parties	2,540,412	—	—
Derivative financial instruments	—	14,359,460	—
Total	Ps. 913,098,718	Ps. 14,359,460	Ps. —

	December 31, 2018		
	Loans and Receivables	**Fair value through profit or loss**	**Fair value through OCI**
Financial Assets:			
Equity investments at fair value through OCI and other short term investments	**Ps. 9,987,851**	**Ps. —**	**Ps. 39,028,083**
Accounts receivable from subscribers, distributors, contractual assets and other	**185,202,494**	**—**	**—**
Related parties	**1,263,605**	**—**	**—**
Derivative financial instruments	**—**	**5,287,548**	**—**
Total	**Ps. 196,453,950**	**Ps. 5,287,548**	**Ps. 39,028,083**
Financial Liabilities:			
Debt	**Ps. 638,922,453**	**Ps. —**	**Ps. —**
Accounts payable	**221,957,267**	**—**	**—**
Related parties	**2,974,213**	**—**	**—**
Derivative financial instruments	**—**	**17,107,579**	**—**
Total	**Ps. 863,853,933**	**Ps. 17,107,579**	**Ps. —**

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 statements of financial position at December 31, 2017 and 2018 is as follows:

	Measurement of fair value at December 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Equity investments at fair value through OCI and other short-term investments	Ps. 46,682,657	Ps. 12,438,019	Ps. —	Ps. 59,120,676
Derivative financial instruments	—	8,037,384	—	8,037,384
Pension plan assets	218,518,358	9,039,270	130,976	227,688,604
Total	Ps. 265,201,015	Ps. 29,514,673	Ps. 130,976	Ps. 294,846,664
Liabilities:				
Debt	Ps. 691,769,785	Ps. 63,147,153	Ps. —	Ps. 754,916,938
Derivative financial instruments	—	14,359,460	—	14,359,460
Total	Ps. 691,769,785	Ps. 77,506,613	Ps. —	Ps. 769,276,398

	Measurement of fair value at December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Equity investments at fair value through OCI and other short-term investments	**Ps. 39,028,083**	**Ps. 9,987,851**	**Ps. —**	**Ps. 49,015,934**
Derivative financial instruments	**—**	**5,287,548**	**—**	**5,287,548**
Pension plan assets	**186,557,731**	**17,096,344**	**17,047**	**203,671,122**
Total	**Ps. 225,585,814**	**Ps. 32,371,743**	**Ps. 17,047**	**Ps. 257,974,604**
Liabilities:				
Debt	**Ps. 594,713,342**	**Ps. 99,723,251**	**Ps. —**	**Ps. 694,436,593**
Derivative financial instruments		**17,107,579**	**—**	**17,107,579**
Total	**Ps. 594,713,342**	**Ps. 116,830,830**	**Ps. —**	**Ps. 711,544,172**

Fair value of derivative financial instruments is valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies different 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. The Company's investment in equity investments at fair value, specifically the investment in KPN, is valued using the quoted prices (unadjusted) in active markets for identical assets. The net realized gain related to derivative financial instruments for the years ended December 31, 2017 and 2018 was Ps. 1,515,668 and Ps. 5,286,290, respectively.

For the years ended December 31, 2016, 2017 and 2018, no transfers were made between Level 1 and Level 2 fair value measurement hierarchies.

Changes in liabilities arising from financing activities

	At January 1, 2017	Cash flow	Foreign currency exchange and other	At December 31, 2017
Total liabilities from financing activities	Ps. 707,801,403	Ps. (27,433,489)	Ps. 17,516,985	Ps. 697,884,899

	At January 1, 2018	Cash flow	Foreign currency exchange and other	At December 31, 2018
Total liabilities from financing activities	**Ps. 697,884,899**	**Ps. (34,050,923)**	**Ps. (24,911,523)**	**Ps. 638,922,453**

19. Shareholders' Equity

a) Pursuant to the Company's bylaws, the capital stock of the Company consists of a minimum fixed portion of Ps. $270,049 (nominal amount), represented by a total of 71,063,212,170 shares (including treasury shares available for placement in accordance with the provisions of the Ley del Mercado de Valores), of which (i) 20,601,632,660 are "AA" shares (full voting rights); (ii) 558,677,704 are "A" shares (full voting rights); and (iii) 49,902,901,806 are "L" shares (limited voting rights).

b) As of December 31, 2018 and 2017, the Company's capital structure was represented by 66,034,792,526 (20,601,632,660 "AA" shares, 546,112,938 "A" shares and 44,887,046,928 "L" shares), and 66,069,035,539 (20,601,632,660 "AA" shares, 566,661,526 "A" shares and 44,900,741,353 "L" shares), respectively, not including treasury shares.

c) As of December 31, 2018 and 2017, 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 5,028,419,644 shares (5,028,399,396 "L" shares and 20,248 "A" shares); and 29,420,688,657 shares (29,419,120,359 "L" shares and 1,568,298 "A" shares), respectively, all acquired pursuant to the Company's share repurchase program.

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 "L" shares holders are entitled to vote are the following: extension of the Company´s corporate life, dissolution of the Company, change of Company's corporate purpose, change of nationality of the Company, transformation of the Company, a merger with another company, any transaction representing 20% or more of the Company's consolidated assets, as well as the cancellation of the inscription of the shares issued by the Company at 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. 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 shall also 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.

"A" shares, which may be freely subscribed, must not represent more than 19.6% of capital stock and must not exceed 49% of the common shares representing such capital. Common shares (entitled to full voting rights, represented by "AA" and "A" shares), must represent no more than 51% of the Company's capital stock.

Lastly, "L" shares which have limited voting rights and may be freely subscribed may not exceed, along with "A" shares, 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

On April 16, 2018, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps. $0.32 (thirty-two peso cents) per share to each of the shares series of its capital stock "AA", "A" and "L". Such dividend was paid in two installments of Ps. $0.16 (sixteen peso cents) each, on July 16 and November 12, 2018 respectively.

On April 5, 2017, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps. $0.30 (thirty peso cents) per share to each of the shares series of its capital stock "AA", "A" and "L", such dividend was payable, at each share holders' election, in cash, "L" series shares or a combination thereof, in two installments of Ps. $0.15 (fifteen peso cents) each, on July 17 and November 13, 2017 respectively. As a result of the shareholders elections, on July 17, 2017 and November 13, 2017, AMX placed into circulation 325,264,125 and 16,905,414 series "L" shares, respectively.

Legal Reserve

According to the Ley General de Sociedades Mercantiles, companies must allocate from the net profit of each year, at least 5% to increase the legal reserve until it reaches 20% of its capital stock. This reserve may not be distributed to shareholders during the existence of the Company, except as a stock dividend. As of December 31, 2018 and 2017, the legal reserve amounted Ps. 358,440.

Restrictions on Certain Transactions

Pursuant to the Company's bylaws any transfer of more than 10% of the full voting shares ("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, the Company bylaws require it to designate an alternate transferee, who must pay market price for the shares as quoted on the Bolsa Mexicana de Valores, S.A.B. de C.V.

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to the "A" Shares, "L" Shares, "A" Share ADSs or "L" 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 2015). Nonresident holders could be subject to a lower tax rate, to the extent that they are eligible for benefits under an income tax treaty to which Mexico is a party.

Earnings per Share

The following table shows the computation of the basic and diluted earnings per share:

	For the years ended December 31,		
	2016	2017	2018
Net profit for the period attributable to equity holders of the parent	Ps. 8,649,427	Ps. 29,325,921	**Ps. 52,566,197**
Weighted average shares (in millions)	65,693	65,909	**66,055**
Earnings per share attributable to equity holders of the parent	0.13	0.44	**0.79**

Subordinated Perpetual Fixed Rate Bond

On January 3, 2018, the Company decided to call and redeem the Telekom Austria subordinated perpetual Fixed Rate Bond (hybrid bond) amounting to 600 million of Euros, according to the terms and conditions of the bond, at its nominal value plus all interest on February 1, 2018, the first call date. The Company paid an amount of Ps 13,440,120.

20. Components of other comprehensive (loss) income

The movement on the components of the other comprehensive (loss) income for the years ended December 31, 2016, 2017 and 2018 is as follows:

	For the years ended December 31,		
	2016	2017	2018
Controlling interest:			
Valuation of the derivative financial instruments, net of deferred taxes	Ps. 48,496	Ps. 12,292	**Ps. —**
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes	(6,673,731)	622,424	**(3,765,688)**
Translation effect of foreign entities	104,178,880	(21,683,333)	**(61,223,458)**
Remeasurement of defined benefit plan, net of deferred taxes	14,771,770	(7,075,606)	**652,722**
Non-controlling interest of the items above	3,322,090	3,402,973	**(2,986,018)**
Other comprehensive (loss) income	Ps. 115,647,505	Ps. (24,721,250)	**Ps. (67,322,442)**

21. Valuation of derivatives, interest cost from labor obligations and other financial items, net

For the years ended December 31, 2016, 2017 and 2018, valuation of derivatives and other financial items are as follows:

	For the years ended December 31,					
		2016		2017		2018
Controlling interest:						
(Loss) gain in valuation of derivatives, net	Ps.	(9,622,233)	Ps.	8,192,567	**Ps.**	**(4,686,407)**
Capitalized interest expense (Note 10 d)		2,861,307		2,875,034		**2,020,288**
Commissions		(2,034,972)		(1,263,701)		**(1,901,473)**
Interest cost of labor obligations (Note 17)		(9,178,513)		(8,722,611)		**(9,968,526)**
Interest expense on taxes		(245,922)		(1,503,981)		**(555,921)**
Dividend received (Note 4)		5,740,092		2,385,559		**2,605,333**
Gain on net monetary positions (Note 2i, c)		—		—		**4,429,145**
Other financial cost		(3,745,600)		(3,906,627)		**(2,118,755)**
Total	Ps.	(16,225,841)	Ps.	(1,943,760)	**Ps.**	**(10,176,316)**

22. 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 Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), analyzes the financial and operating information by operating segment. All operating segments that (i) represent more than 10% of consolidated revenues, (ii) more than the absolute amount of its reported 10% of profits before income tax or (iii) more than 10% of consolidated assets, are presented separately.

The Company presents the following reportable segments for the purposes of its consolidated financial statements: Mexico (includes Telcel and Corporate operations and assets), Telmex (Mexico), Brazil, Southern Cone (includes Argentina, Chile, Paraguay and Uruguay), Central America (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 segment Southern Cone comprises mobile communication services in Argentina as well as Chile, Paraguay and Uruguay. In 2018, hyperinflation accounting in accordance with IAS 29 was initially applied to Argentina, which results in the restatement of non-monetary assets, liabilities and all items of the statements of comprehensive income for the change in a general price index and the translation of these items applying the year-end exchange rate. In accordance with IFRS comparative amounts for 2016 and 2017 were not restated.

The Company considers that the quantitative and qualitative aspects of any aggregated operating segments (that is, Central America and Caribbean reportable 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 statements 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 of telecom companies, (vi) inflation trends, and (vii) currency trends.

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbea
At December 31 2016 (in Ps.):									
External revenues	187,127,903	93,343,612	193,796,237	71,553,356	67,330,768	55,825,972	42,131,666	140,856,365	36,467,7
Intersegment revenues	16,438,858	8,872,248	3,560,388	776,719	257,767	304,834	289,465	—	30,2
Total revenues	203,566,761	102,215,860	197,356,625	72,330,075	67,588,535	56,130,806	42,421,131	140,856,365	36,497,9
Depreciation and amortization	16,451,496	17,150,013	47,170,935	9,739,634	11,283,749	7,764,474	10,474,681	1,073,623	5,225,4
Operating income	48,219,505	12,275,892	6,325,323	8,317,053	11,209,959	6,086,638	3,830,974	1,220,601	6,143,1
Interest income	28,659,372	303,915	3,747,684	2,649,539	104,304	944,945	462,779	239,797	691,1
Interest expense	32,004,944	1,135,552	22,970,335	5,049,457	1,079,989	1,147,380	411,597	—	143,3
Income tax	2,502,242	921,803	(4,294,040)	2,021,090	4,456,750	1,768,066	3,291,776	767,295	2,542,0
Equity interest in net income (loss) of associated companies	67,472	116,368	(270)	(23,319)	—	—	171	—	–
Net profit (loss) attributable to equity holders of the parent	378,150	902,282	(10,357,493)	3,765,015	4,022,633	3,621,863	538,890	987,790	3,318,9
Assets by segment	1,070,598,204	161,133,722	461,831,754	140,617,162	103,361,235	113,839,981	80,832,029	42,812,349	93,941,6
Plant, property and equipment, net	64,893,242	112,220,236	203,270,555	67,023,143	59,690,886	37,716,772	41,808,573	1,949,166	33,854,4
Goodwill	27,186,328	213,926	26,106,622	3,006,448	14,659,891	5,948,335	5,652,268	3,464,217	14,186,7
Trademarks, net	615,318	307,881	366,727	—	194	—	—	788,228	284,6
Licenses and rights, net	5,887,092	42,867	41,496,209	8,760,860	4,603,793	12,882,210	3,993,120	—	7,694,7
Investment in associated companies	7,605,220	2,218,824	699	81,284	470	—	17,390	—	–
Liabilities by segments	798,044,609	117,663,161	349,915,118	124,149,687	40,811,337	52,949,608	38,095,161	41,369,767	44,790,6
At December 31, 2017 (in Ps.):									
External revenues	190,022,612	89,731,238	210,536,673	81,092,885	72,435,460	56,393,595	44,094,835	148,589,487	35,092,5
Intersegment revenues	16,748,428	8,753,525	4,785,601	1,250,983	304,555	177,856	187,086	44	122,6
Total revenues	206,771,040	98,484,763	215,322,274	82,343,868	72,740,015	56,571,451	44,281,921	148,589,531	35,215,2
Depreciation and amortization	17,030,251	18,902,238	51,486,652	10,639,591	12,373,790	8,328,705	9,668,439	1,594,727	5,349,7
Operating income (loss)	50,666,028	7,921,524	11,601,369	11,676,427	(4,704,165)	5,650,477	5,252,401	2,915,123	4,752,1
Interest income	30,083,437	619,748	3,792,242	2,884,613	211,521	1,793,974	1,064,992	394,196	1,111,9

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbea
Interest expense	32,185,868	1,028,593	23,578,083	4,637,989	1,955,688	1,573,929	485,684	—	377,7
Income tax	18,142,482	387,145	(2,991,377)	3,535,302	(1,874,594)	1,806,085	2,025,618	1,803,555	3,529,2
Equity interest in net income (loss) of associated companies	99,044	16,564	(232)	(9,801)	—	—	—	—	–
Net profit (loss) attributable to equity holders of the parent	26,321,442	184,387	(6,617,381)	4,421,938	(6,209,530)	1,595,382	3,713,301	1,793,875	1,262,0
Assets by segment	1,033,036,406	170,402,561	428,281,963	133,136,177	108,362,023	113,478,626	81,529,691	40,761,830	88,672,4
Plant, property and equipment, net	59,137,555	109,713,770	187,459,628	69,006,093	57,060,931	35,930,966	39,050,481	1,693,642	32,173,5
Goodwill	27,102,384	213,926	24,708,739	3,073,444	13,981,033	6,113,495	5,597,990	3,341,956	14,186,7
Trademarks, net	406,723	274,786	246,557	—	—	—	—	631,024	262,6
Licenses and rights, net	11,457,720	13,175	35,662,305	8,885,086	4,197,498	11,295,202	3,376,106	—	7,276,0
Investment in associated companies	469,662	546,872	640	63,110	451	—	16,999	—	–
Liabilities by segments	794,598,013	133,428,178	322,620,030	119,123,646	54,756,152	48,656,628	35,501,900	38,249,957	43,978,4

At December 31, 2018 (in Ps.):									
External revenues	207,610,244	86,339,289	188,712,666	89,149,978	75,460,428	55,633,192	44,883,585	153,266,315	36,435,5
Intersegment revenues	16,946,543	9,741,908	4,593,760	13,200,358	344,517	154,082	149,445	—	204,2
Total revenues	224,556,787	96,081,197	193,306,426	102,350,336	75,804,945	55,787,274	45,033,030	153,266,315	36,639,8
Depreciation and amortization	17,619,342	18,358,248	42,857,751	13,526,361	13,464,867	8,516,960	8,940,655	1,545,395	5,036,8
Operating income (loss)	57,450,599	8,085,764	23,494,903	16,975,797	14,388,552	5,003,915	4,867,763	2,665,270	5,811,8
Interest income	26,578,280	420,380	11,303,888	2,251,474	1,013,839	1,666,879	1,566,086	559,548	1,458,8
Interest expense	32,526,258	1,153,913	20,377,191	4,338,941	2,913,881	1,719,663	509,081	—	561,8
Income tax	28,842,505	643,377	4,026,444	1,390,039	2,251,877	2,498,666	2,533,600	810,898	2,774,2
Equity interest in net income (loss) of associated companies	(5,962)	44,965	(152)	(20,871)	—	—	—	—	-
Net profit (loss) attributable to equity holders of the parent	23,185,029	(2,201,572)	3,530,653	6,065,703	9,165,801	1,730,933	2,821,733	2,820,505	3,644,0
Assets by segment	970,564,314	174,461,398	390,791,480	127,946,573	111,975,598	96,347,779	81,640,157	38,814,907	102,531,5
Plant, property and equipment, net	56,056,634	103,737,293	173,197,708	62,988,635	51,422,548	35,800,477	37,146,601	1,356,237	38,011,2
Goodwill	27,104,632	215,381	21,388,124	2,796,759	12,770,380	5,242,365	5,466,871	3,328,533	14,186,7
Trademarks, net	227,774	243,556	124,910	—	—	—	—	507,033	249,9
Licenses and rights, net	10,573,147	—	25,873,910	12,555,496	3,400,235	9,651,582	3,605,416	—	10,294,3
Investment in associated companies	5,621,661	563,667	543	20,697	412	—	24,262	—	-
Liabilities by segments	748,965,728	136,993,838	298,308,084	94,550,901	56,211,438	50,064,761	28,592,953	35,552,678	58,716,1

23. Recently Issued Accounting Standards

New standards, amendments and interpretations not yet effective

The estimated impact and evaluation of the recently issued accounting standards not yet in effect as of December 31, 2018 are as follow:

IFRS 16, Leases

In January 2016, the IASB issued the new accounting standard, IFRS 16 Leases. The fundamental changes in this new standard affect the lessees' recognition of leases in the financial statements. Generally, all leases have to be recognized based on the "right of use approach".

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on January 1, 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

Transition to IFRS 16

The Company will adopt the IFRS 16 using the modified retrospectively method with the date of initial applications on January 1, 2019. Moreover, the Company will apply the new requirements regarding IFRS 16 to all contracts identified as leases under the current accounting standard and reassessed all services, in order to identify lease components or an implicit accounting lease within these contracts.

The Company will elect to use the exemptions applicable to the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment (i.e., personal computers, printing and photocopying machines, mainly) that are considered low value assets.

The Company identified a significant number of lease assets such as towers, physical facilities (office buildings, stores and sites, mainly), circuits, among others. The implementation of IFRS 16 required a significant effort due to the fact of the need to make certain estimates, such as the leases term, based on the non-cancelable period and the periods covered by options to extend the lease. AMX extended the lease terms beyond the non-cancelable period only when it was reasonably certain to extend it. The reasonability of the extension is affected on several factors, such as regulation, business model, and geographical business strategies.

AMX expects that the changes in the implementation of IFRS 16 will have a significant impact on its financial statements from the date of adoption. The Company expects that the opening balances at the date of initial application will increase in right of use assets and lease liabilities between Ps.113,000,000 and Ps.132,000,000 without a material impact in equity.

Estimated initial impact are based on the assessment conducted to date and could have a difference because of the lease borrowing rate and the volume of contracts considered in the implementation process. The new accounting policies will not be final until the Company presents its first financial statements subsequent to the effective date of IFRS 16.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required.

Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The company is evaluating the effects, however, it does not expect the adoption of this standard to have a significant impact.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company will establish the processes and procedures to obtain the necessary information to apply the Interpretation in a timely manner.

The company estimates that the adoption of this standard will not have a significant impact on its consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the consolidated financial statements of the Company.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

These improvements include:

• IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments will apply on future business combinations of the Company.

• IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

• IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period. Since the Company´s current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

• IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company´s current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

24. Subsequent Events

(a) On January 24, 2019, the Company acquired from Telefónica S.A. and certain of its affiliates (“Telefónica”), 100% of Telefónica Móviles Guatemala, S.A. (“Telefónica Guatemala”), and has entered into an agreement to acquire 99.3% of Telefónica Móviles El Salvador, S.A. de C.V. (“Telefónica El Salvador”). The Telefónica Guatemala acquisition has been completed on this date. The completion of the acquisition of Telefónica El Salvador is subject to certain customary closing conditions, including regulatory approval. The purchase price paid for Telefónica Guatemala was Ps. 6,326,068 (US$333,000). The agreed upon purchase price for Telefónica El Salvador is Ps. 5,984,118 (US$315,000). The acquired companies provide mobile and fixed telecommunications services, including voice, data and Pay TV in El Salvador and Guatemala.

(b) On March 18, 2019, the Company announced that it has entered into an agreement to acquire from NII Holdings, Inc. and certain of its affiliates (“NII”) and AI Brazil Holdings B.V. 100% of Nextel Telecomunicações Ltda. (“Nextel Brazil”).

The completion of the acquisition is subject to certain customary closing conditions, including regulatory approval from Agência Nacional de Telecomunicações — Anatel and Conselho Administrativo de Defesa Econômica — CADE. The transaction is also subject to the approval at a stockholders meeting of NII shareholders holding a majority of the outstanding shares of NII. The agreed purchase price for Nextel Brazil is Ps. 17,487,578 (US$905,000) on a cash free / debt free basis.

Nextel Brazil provides nationwide mobile telecommunications services.

25. Supplemental Guarantor Information

Condensed Consolidating Financial Information

The following consolidating information presents condensed consolidating statements of financial position as of December 31, 2017 and 2018 and condensed consolidating statements of comprehensive income and cash flows for each of the three years in the period ended December 31, 2018 of the Company and Telcel (the “wholly-owned Guarantor Subsidiary”). The unconsolidated financial statements of América Móvil and Telcel reflect their investments in subsidiaries on the basis of the equity method. These unconsolidated entities are the Guarantors of most of América Móvil’s consolidated obligations. The guarantees of the Guarantor are full and unconditional.

The Company's consolidating condensed financial information for the (i) Company; (ii) its wholly-owned guarantor 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:

Condensed consolidating statements of financial position

	As of December 31, 2017				
	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets:					
Cash and cash equivalents	Ps. 7,018,559	Ps. 3,553,352	Ps. 13,698,562	Ps. —	Ps. 24,270,473
Equity investments at fair value through OCI and other short-term investments	10,303,535	—	48,817,141	—	59,120,676
Accounts receivable and derivative financial instruments	9,874,652	24,064,936	167,873,940	—	201,813,528
Related parties	208,240,067	957,704	503,895,549	(712,225,090)	868,230
Inventories, net	264,649	16,700,837	21,844,079	—	38,809,565
Other current assets	17,805,747	922,245	(1,375,246)	—	17,352,746
Property, plant and equipment, Net	1,996,721	24,287,904	650,058,573	—	676,343,198
Investments in associated companies	747,771,790	35,569,788	3,457,152	(783,063,558)	3,735,172
Intangible assets and other non- current assets, net	4,104,268	73,557,904	386,236,092	—	463,898,264
Total assets	Ps. 1,007,379,988	Ps. 179,614,670	Ps. 1,794,505,842	Ps. (1,495,288,648)	Ps. 1,486,211,852
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 34,345,398	Ps. —	Ps. 17,400,443	Ps. —	Ps. 51,745,841
Current liabilities	161,940,198	41,304,845	797,880,314	(639,534,701)	361,590,656
Long-term debt	547,728,176	—	98,410,882	—	646,139,058
Other non-current liabilities	69,201,904	132,728,838	40,909,234	(76,737,196)	166,102,780
Total liabilities	Ps. 813,215,676	Ps. 174,033,683	Ps. 954,600,873	Ps. (716,271,897)	Ps. 1,225,578,335
Equity attributable to equity holders of the parent	194,164,312	5,580,987	741,988,231	(747,569,218)	194,164,312
Non-controlling interests	—	—	97,916,738	(31,447,533)	66,469,205
Total equity	194,164,312	5,580,987	839,904,969	(779,016,751)	260,633,517
Total liabilities and equity	Ps. 1,007,379,988	Ps. 179,614,670	Ps. 1,794,505,842	Ps. (1,495,288,648)	Ps. 1,486,211,852

Condensed consolidating statements of financial position

	As of December 31, 2018				
	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets:					
Cash and cash equivalents	Ps. 8,335,101	Ps. 1,745,895	Ps. 11,578,966	Ps. —	Ps. 21,659,962
Equity investments at fair value through OCI and other short-term investments	9,511,368	—	39,504,566	—	49,015,934
Accounts receivable and derivative financial instruments	31,462,176	35,671,582	154,380,710	—	221,514,468
Related parties	199,566,671	1,144,534	560,142,367	(759,589,967)	1,263,605
Inventories, net	215,055	18,495,502	21,594,805	—	40,305,362
Other current assets	—	1,218,764	14,077,429	—	15,296,193
Property, plant and equipment, Net	1,340,358	23,192,546	615,467,816	—	640,000,720
Investments in associated companies	734,944,344	88,070,845	16,926,615	(836,809,097)	3,132,707
Intangible assets and other non- current assets, net	4,113,902	26,176,381	406,744,158	—	437,034,441
Total assets	Ps. 989,488,975	Ps. 195,716,049	Ps. 1,840,417,432	Ps. (1,596,399,064)	Ps. 1,429,223,392
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 52,827,411	Ps. —	Ps. 43,403,223	Ps. —	Ps. 96,230,634
Current liabilities	153,489,868	72,282,238	597,174,025	(452,085,876)	370,860,255
Long-term debt	456,918,590	—	85,773,229	—	542,691,819
Other non-current liabilities	130,257,461	109,368,210	242,232,897	(308,290,306)	173,568,262
Total liabilities	Ps. 793,493,330	Ps. 181,650,448	Ps. 968,583,374	Ps. (760,376,182)	Ps. 1,183,350,970
Equity attributable to equity holders of the parent	195,995,645	14,065,601	760,485,332	(774,550,933)	195,995,645
Non-controlling interests	—	—	111,348,726	(61,471,949)	49,876,777
Total equity	195,995,645	14,065,601	871,834,058	(836,022,882)	245,872,422
Total liabilities and equity	Ps. 989,488,975	Ps. 195,716,049	Ps. 1,840,417,432	Ps. (1,596,399,064)	Ps. 1,429,223,392

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2016

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 137,236,301	Ps. 173,714,225	Ps. 857,137,822	Ps. (192,675,860)	Ps. 975,412,488
Total cost and operating expenses	117,835,634	160,949,691	778,483,079	(191,466,226)	865,802,178
Operating income	19,400,667	12,764,534	78,654,743	(1,209,634)	109,610,310
Interest (expense) income, net	(12,331,095)	97,314	(17,207,855)	(227,781)	(29,669,417)
Foreign currency exchange (loss) gain, net	(46,625,392)	(5,853,669)	12,051,654	—	(40,427,407)
Other financing cost, net	(10,475,673)	(11,203,533)	5,453,365	—	(16,225,841)
Income tax	(7,712,179)	1,139,631	17,971,404	—	11,398,856
Equity interest in net income of associated companies	50,968,741	(1,342,073)	(6,677,059)	(42,759,659)	189,950
Net profit (loss) for year	Ps. 8,649,427	Ps. (6,677,058)	Ps. 54,303,444	Ps. (44,197,074)	Ps. 12,078,739
Distribution of the net profit (loss) to:					
Equity owners of holding company	8,649,427	(6,677,058)	50,049,280	(43,372,222)	8,649,427
Non-controlling interest	—	—	4,254,164	(824,852)	3,429,312
Net profit (loss)	Ps. 8,649,427	Ps. (6,677,058)	Ps. 54,303,444	Ps. (44,197,074)	Ps. 12,078,739
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	104,178,880	755,978	108,291,984	(105,728,134)	107,498,708
Effect of fair value of derivatives, net of deferred taxes	48,496	—	30,206	(29,573)	49,129
Items not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of income tax effect	14,771,770	(12,300)	7,477,926	(7,463,997)	14,773,399
Equity investments at fair value	(6,673,731)	—	(6,673,731)	6,673,731	(6,673,731)
Total other comprehensive income items for the period	Ps. 112,325,415	Ps. 743,678	Ps. 109,126,385	Ps. (106,547,973)	Ps. 115,647,505
Total comprehensive income for the period	Ps. 120,974,842	Ps. (5,933,380)	Ps. 163,429,829	Ps. (150,745,047)	Ps. 127,726,244
Comprehensive income for the period attributable to:					
Equity holders of the parent	Ps. 120,974,842	Ps. (5,933,380)	Ps. 150,900,984	Ps. (144,967,604)	Ps. 120,974,842
Non-controlling interests	—	—	12,528,845	(5,777,443)	6,751,402
	Ps. 120,974,842	Ps. (5,933,380)	Ps. 163,429,829	Ps. (150,745,047)	Ps. 127,726,244

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2017

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 160,057,511	Ps. 170,991,493	Ps. 887,951,615	Ps. (197,367,084)	Ps. 1,021,633,535
Total cost and operating expenses	123,548,341	163,152,868	832,429,198	(197,640,175)	921,490,232
Operating income	36,509,170	7,838,625	55,522,417	273,091	100,143,303
Interest (expense) income, net	(16,779,235)	(12,365,116)	1,810,523	(41,305)	(27,375,133)
Foreign currency exchange (loss) gain, net	(15,223,111)	1,320,667	83,493	—	(13,818,951)
Other financing cost, net	6,775,455	—	(8,719,215)	—	(1,943,760)
Income tax	14,201,399	1,386,519	9,353,593	—	24,941,511
Equity interest in net income of associated companies	32,245,041	(8,977,146)	(13,466,845)	(9,709,665)	91,385
Net profit (loss) for year	Ps. 29,325,921	Ps. (13,569,489)	Ps. 25,876,780	Ps. (9,477,879)	Ps. 32,155,333
Distribution of the net profit (loss) to:					
Equity owners of holding company	29,325,921	(13,569,489)	21,417,549	(7,848,060)	29,325,921
Non-controlling interest	—	—	4,459,231	(1,629,819)	2,829,412
Net profit (loss)	Ps. 29,325,921	Ps. (13,569,489)	Ps. 25,876,780	Ps. (9,477,879)	Ps. 32,155,333
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	(21,683,333)	(1,897,936)	(18,309,877)	23,581,269	(18,309,877)
Effect of fair value of derivatives, net of deferred taxes	12,292	—	12,292	(12,292)	12,292
Items not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of income tax effect	(7,075,606)	(8,439)	(7,046,089)	7,084,045	(7,046,089)
Equity investments at fair value	622,424	—	622,424	(622,424)	622,424
Total other comprehensive income items for the period	Ps. (28,124,223)	Ps. (1,906,375)	Ps. (24,721,250)	Ps. 30,030,598	Ps. (24,721,250)
Total comprehensive income for the period	Ps. 1,201,698	Ps. (15,475,864)	Ps. 1,155,530	Ps. 20,552,719	Ps. 7,434,083
Comprehensive income for the period attributable to:					
Equity holders of the parent	Ps. 1,201,698	Ps. (15,475,864)	Ps. (5,076,855)	Ps. 20,552,719	Ps. 1,201,698
Non-controlling interests	—	—	6,232,385	—	6,232,385
	Ps. 1,201,698	Ps. (15,475,864)	Ps. 1,155,530	Ps. 20,552,719	Ps. 7,434,083

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2018

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 170,887,145	Ps. 190,924,413	Ps. 890,427,121	Ps. (214,030,998)	Ps. 1,038,207,681
Total cost and operating expenses	129,039,749	183,542,058	799,085,884	(213,017,181)	898,650,510
Operating income	41,847,396	7,382,355	91,341,237	(1,013,817)	139,557,171
Interest (expense) income, net	(24,831,538)	(11,033,069)	14,757,906	(18,563)	(21,125,264)
Foreign currency exchange (loss) gain, net	11,805,283	626,304	(19,693,543)	—	(7,261,956)
Other financing cost, net	(4,443,892)	—	(5,732,424)	—	(10,176,316)
Income tax	17,754,010	798,639	27,924,430	—	46,477,079
Equity interest in net income of associated companies	46,101,188	1,325,723	(2,497,059)	(44,929,585)	267
Net profit (loss) for year	Ps. 52,724,427	Ps. (2,497,326)	Ps. 50,251,687	Ps. (45,961,965)	Ps. 54,516,823
Distribution of the net profit (loss) to:					
Equity owners of holding company	52,724,427	(2,497,326)	46,641,696	(44,302,600)	52,566,197
Non-controlling interest	—	—	3,609,991	(1,659,365)	1,950,626
Net profit (loss)	Ps. 52,724,427	Ps. (2,497,326)	Ps. 50,251,687	Ps. (45,961,965)	Ps. 54,516,823
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	(61,223,458)	(724,521)	(64,314,032)	61,947,979	(64,314,032)
Items not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of income tax effect	652,722	(1,603,145)	757,278	950,423	757,278
Equity investments at fair value	(3,765,688)	—	(3,765,688)	3,765,688	(3,765,688)
Total other comprehensive income items for the period	Ps. (64,336,424)	Ps. (2,327,666)	Ps. (67,322,442)	Ps. 66,664,090	Ps. (67,322,442)
Total comprehensive income for the period	Ps. (11,611,997)	Ps. (4,824,992)	Ps. (17,070,755)	Ps. 20,702,125	Ps. (12,805,619)
Comprehensive income for the period attributable to:					
Equity holders of the parent	Ps. (11,611,997)	Ps. (4,824,992)	Ps. (16,035,363)	Ps. 20,702,125	Ps. (11,770,227)
Non-controlling interests	—	—	(1,035,392)	—	(1,035,392)
	Ps. (11,611,997)	Ps. (4,824,992)	Ps. (17,070,755)	Ps. 20,702,125	Ps. (12,805,619)

Condensed consolidating statements of cash flows

For the year ended December 31, 2016

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 937,247	Ps. (5,537,427)	Ps. 28,077,775	Ps. —	Ps. 23,477,595
Non-cash items	(997,587)	19,800,396	209,821,118	—	228,623,927
Changes in working capital:	74,520,320	9,130,768	(93,359,195)	(6,595,361)	(16,303,468)
Net cash flows provided by operating activities	Ps. 74,459,980	Ps. 23,393,737	Ps. 144,539,698	Ps. (6,595,361)	Ps. 235,798,054
Investing activities:					
Purchase of property, plant and equipment	—	(7,860,232)	(130,846,925)	—	(138,707,157)
Acquisition of intangibles	—	(4,947,506)	(11,369,232)	—	(16,316,738)
Dividends received from associates	21,950	—	5,988,938	(270,796)	5,740,092
Proceeds from sale of plant, property and equipment	20,078	—	95,522	—	115,600
Acquisition of business, net of cash acquired	—	(2,796,254)	(1,823,813)	2,796,254	(1,823,813)
Partial sale of shares of associate company	756,444	—	2,796,254	(3,552,698)	—
Investment in associates companies	—	663,203	(666,690)	—	(3,487)
Net cash flows provided by (used in) investing activities	Ps. 798,472	Ps. (14,940,789)	Ps. (135,825,946)	Ps. (1,027,240)	Ps. (150,995,503)
Financing activities:					
Bank loans, net	(39,598,698)	—	(21,792,115)	—	(61,390,813)
Acquisition of no controlling interest	—	—	(2,280,278)	—	(2,280,278)
Interest paid	(24,826,139)	(7,972,827)	(5,922,267)	6,595,361	(32,125,872)
Paid-In capital	—	—	(756,444)	756,444	—
Sale of shares of subsidiaries	—	—	6,323,336	—	6,323,336
Repurchase of shares and others	(7,092,385)	—	71,138	—	(7,021,247)
Payment of dividends	(13,437,168)	—	(643,585)	270,796	(13,809,957)
Derivative financial instruments	—	—	(351,213)	—	(351,213)
Net cash flows (used in) financing activities	Ps. (84,954,390)	Ps. (7,972,827)	Ps. (25,351,428)	Ps. 7,622,601	Ps. (110,656,044)
Net (decrease) increase in cash and cash equivalents	(9,695,938)	480,121	(16,637,676)	—	(25,853,493)
Adjustment to cash flow for exchange rate differences	—	—	3,911,844	—	3,911,844
Cash and cash equivalents at beginning of the period	13,803,584	1,468,036	29,888,412	—	45,160,032
Cash and cash equivalents at end of the period	Ps. 4,107,645	Ps. 1,948,159	Ps. 17,162,579	Ps. —	Ps. 23,218,383

Condensed consolidating statements of cash flows

For the year ended December 31, 2017

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 43,527,320	Ps. (12,182,970)	Ps. 35,230,373	Ps. (9,477,879)	Ps. 57,096,844
Non-cash items	(17,017,287)	30,000,109	171,062,158	11,635,563	195,680,543
Changes in working capital:	(18,973,478)	(9,486)	(66,062,629)	50,040,581	(35,005,012)
Net cash flows provided by operating activities	Ps. 7,536,555	Ps. 17,807,653	Ps. 140,229,902	Ps. 52,198,265	Ps. 217,772,375
Investing activities:					
Purchase of property, plant and equipment	16,526	(5,571,410)	(113,630,253)	—	(119,185,137)
Acquisition of intangibles	—	(3,053,345)	(14,485,196)	—	(17,538,541)
Dividends received from associates	21,465,687	970,000	2,385,559	(22,435,687)	2,385,559
Proceeds from sale of plant, property and equipment	—	—	133,349	—	133,349
Acquisition of business, net of cash acquired	—	(3,381,505)	(3,497,288)	—	(6,878,793)
Investment in associates companies	—	1,925,898	—	(1,925,898)	—
Sale of associated company	—	—	340,040	—	340,040
Net cash flows provided by (used in) investing activities	Ps. 21,482,213	Ps. (9,110,362)	Ps. (128,753,789)	Ps. (24,361,585)	Ps. (140,743,523)
Financing activities:					
Bank loans, net	13,548,138	—	16,382,838	(57,364,465)	(27,433,489)
Acquisition of no controlling interest	—	—	(11,930)	—	(11,930)
Interest paid	(24,009,216)	(7,092,098)	(7,187,225)	7,092,098	(31,196,441)
Repurchase of shares and others	(1,240,028)	—	6,657	—	(1,233,371)
Payment of dividends	(14,406,748)	—	(24,120,329)	22,435,687	(16,091,390)
Derivative financial instruments	—	—	(71,474)	—	(71,474)
Net cash flows used in financing activities	Ps. (26,107,854)	Ps. (7,092,098)	Ps. (15,001,463)	Ps. (27,836,680)	Ps. (76,038,095)
Net (decrease) increase in cash and cash equivalents	2,910,914	1,605,193	(3,525,350)	—	990,757
Adjustment to cash flow for exchange rate differences	—	—	61,333	—	61,333
Cash and cash equivalents at beginning of the period	4,107,645	1,948,159	17,162,579	—	23,218,383
Cash and cash equivalents at end of the period	Ps. 7,018,559	Ps. 3,553,352	Ps. 13,698,562	Ps. —	Ps. 24,270,473

Condensed consolidating statements of cash flows

For the year ended December 31, 2018

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 70,478,437	Ps. (1,698,687)	Ps. 78,176,117	Ps. (45,961,965)	Ps. 100,993,902
Non-cash items	(23,099,316)	20,952,414	149,503,016	39,836,704	187,192,818
Changes in working capital:	(49,040,542)	(35,329,228)	(61,332,380)	105,845,958	(39,856,192)
Net cash flows provided by operating activities	Ps. (1,661,421)	Ps. (16,075,501)	Ps. 166,346,753	Ps. 99,720,697	Ps. 248,330,528
Investing activities:					
Purchase of property, plant and equipment	(17,709)	(4,031,228)	(139,839,096)	—	(143,888,033)
Acquisition of intangibles	—	(2,993,373)	(4,940,274)	—	(7,933,647)
Dividends received from associates	24,314,803	—	2,622,237	(24,314,803)	2,622,237
Proceeds from sale of plant, property and equipment	—	—	178,532	—	178,532
Acquisition of business, net of cash acquired	—	—	(310,604)	—	(310,604)
Investment in associates companies	—	(5,092,881)	—	5,092,881	—
Sale of associated company	—	—	548,484	—	548,484
Net cash flows provided by (used in) investing activities	Ps. 24,297,094	Ps. (12,117,482)	Ps. (141,740,721)	Ps. (19,221,922)	Ps. (148,783,031)
Financing activities:					
Bank loans, net	24,784,341	—	19,592,788	(78,428,052)	(34,050,923)
Acquisition of no controlling interest	—	—	(115,821)	—	(115,821)
Interest paid	(24,802,363)	26,385,526	(6,066,654)	(26,385,526)	(30,869,017)
Repurchase of shares and others	(514,007)	—	2,586	—	(511,421)
Payment of dividends	(20,787,102)	—	(25,897,494)	24,314,803	(22,369,793)
Redemption of hybrid bond	—	—	(13,440,120)	—	(13,440,120)
Net cash flows used in financing activities	Ps. (21,319,131)	Ps. 26,385,526	Ps. (25,924,715)	Ps. (80,498,775)	Ps. (101,357,095)
Net (decrease) increase in cash and cash equivalents	1,316,542	(1,807,457)	(1,318,683)	—	(1,809,598)
Adjustment to cash flow for exchange rate differences	—	—	(800,913)	—	(800,913)
Cash and cash equivalents at beginning of the period	7,018,559	3,553,352	13,698,562	—	24,270,473
Cash and cash equivalents at end of the period	Ps. 8,335,101	Ps. 1,745,895	Ps. 11,578,966	Ps. —	Ps. 21,659,962