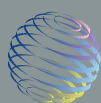


We're

focused...



...and we're

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on track.

We are focused on executing a simple, clear business strategy: consolidating our wireless operations and expanding selectively throughout Latin America. It is a region that we know well –it is our homeland!

Latin America has much to offer in terms of growth and profitability. And in 2002 we delivered on both counts. Our focus has allowed us to remain on track, and in so doing to become the premier wireless operator in the region.



Expanding in Latin America...

Since its creation, América Móvil has been the leading wireless operator in Latin America. It is a region we know well; after all, it is our homeland. And it is the region we have chosen to serve. A market of over half a billion—mostly young—people, eager to communicate with their families and friends, to

try out new technologies and ways, to make their mark at work... A region with great potential for growth, where wireless penetration rates and usage are still low compared to the rest of the world. We are now covering more markets within Latin America, and more regions in every market.



Licenses to cover over

50%

of the Latin American
population.





...increasing profitability as we grow...

As our coverage expands, so does the number of subscribers we service. This is reflected in greater revenues. And also in earnings!

In providing telephony services to a greater share of the population we bring together consumers and producers, businesses and

governments, society as a whole... Indeed, we bring together the societies of different countries! In the process we generate the profits that will compensate our shareholders for contributing the capital that made all of this possible. A win-win proposition.



EBITDA margin of

36.2%

in 2002.





...remaining close to our clients...

To better serve our clients we need to be close to them. Close to their homes. Close to their offices. Close to the shopping centers. Close to the schools they attend. We understand that having a good coverage makes the difference. So we invest our resources to that effect.

Being close to our customers means knowing them well: knowing their preferences; their requirements.

This allows us to provide them with the products they want, the services they need. To make available to them the benefits wrought by new technologies.

It also means providing them with the best quality of service, giving them the attention they deserve.

Making our presence be appreciated by our clients... That is what makes us competitive.



We reached

31.6

million wireless subscribers
at the end of 2002.





...preserving our financial strength.

Our expansion requires substantial investments. In infrastructure and technology. In human resources. In the development of new products and services.

To be able to undertake such investments, it is of the essence that we maintain the financial strength that has characterized our company

since its creation, the one reflected in our solid credit ratings, among the best in the industry. This certainly implies looking after the liquidity position of the company and its overall leverage, but more generally it requires the efficient management of its asset base, the attention to cash flows, the relentless pursuit of low costs.



Investment grade

ratings by three major rating agencies.





América Móvil is the leading wireless services provider in Latin America and one of the ten largest in the world. It serves over 31 million subscribers in the Americas. In Latin America, a region where wireless penetration and usage of voice and data services have ample room to grow, its wireless licenses cover a population of 280 million people, more than half of the total. Its proven operating expertise, financial strength and knowledge of the region, as well as the loyalty of its clients, should enable América Móvil to continue to expand profitably in Latin America, its homeland.

2002

Relevant Events

February: América Móvil sells its 50% interest in CCPR to SBC.

The restructuring of Telecom Americas is completed; Telecom Americas becomes a pure wireless Brazilian company, having transferred its interests in Comcel and Techtel to América Móvil and received an additional interest in ATL.

April: América Móvil sells its 49% stake in Mexican cable television operator Cablevisión.

July: América Móvil acquires Bell Canada International's 39.1% equity participation in Telecom Americas and SBC's 11.1% interest; Telecom Americas is consolidated in América Móvil's financial statements beginning this month.

América Móvil at a glance

1 United States

Tracfone •

Licensed Pop.: 287 million
Wireless Penetration: 50.6%
Subscribers: 2.0 million
Total Revenues: 413 million dollars
América Móvil's Interest: 97.8%

2 Mexico

Telcel •

Licensed Pop.: 102 million
Wireless Penetration: 25.5%
Subscribers: 20.1 million
Total Revenues: 4,219 million dollars
América Móvil's Interest: 100.0%

3 Guatemala

Telgua • and Sercom •

Licensed Pop.: 12 million
Wireless Penetration: 11.5%
Subscribers: 628 thousand wireless and
804 thousand fixed
Total Revenues: 456 million dollars
América Móvil's Interest: 96.0%

4 Ecuador

Concel •

Licensed Pop.: 13 million
Wireless Penetration: 12.8%
Subscribers: 923 thousand
Total Revenues: 127 million dollars
América Móvil's Interest: 80.6%

5 Brazil

Telecom Americas' •

Licensed Pop.: 110 million
Wireless Penetration: 20.2%
Subscribers: 5.2 million
Total Revenues: 700 million dollars
América Móvil's Interest: 96.6%

6 Colombia

Comcel' •

Licensed Pop.: 35 million
Wireless Penetration: 10.5%
Subscribers: 2.8 million
Total Revenues: 401 million dollars
América Móvil's Interest: 95.7%

7 Nicaragua

Sercom Nicaragua •

Licensed Pop.: 5 million
Wireless Penetration: 4.4%
Services launched in December 2002.
América Móvil's Interest: 96.0%

8 Argentina

Techtel •

Clients: 96 thousand
Total Revenues: 16 million dollars
América Móvil's Interest: 60.0%

- Wireless
- Wireline
- Broadband

¹ Telecom Americas holds a 100% interest in both ATL and Tess, as well as 81.6% in Telet and 81.5% in Americal.

² Comcel's subscribers and licensed population do not include those of Celcaribe, as the acquisition of the latter is expected to close during the first quarter of 2003.

October: Telcel launches its GSM services with coverage in 56 Mexican towns and cities.

November: Telecom Americas acquires from the Brazilian government new PCS licenses to provide wireless service in the city of Sao Paulo, in Paraná-Sta. Catarina and in Bahía-Sergipe.

December: América Móvil launches GSM services in Nicaragua.

América Móvil enters into an agreement with Millicom International Cellular pursuant to which it will acquire the latter's interest in the Colombian cellular company Celcaribe, S.A.



Relevant

Financial Data

(millions of constant Mexican pesos, except earnings per share and per ADR)

	2002	2001	Chg%
Total Revenues	57,461	43,722	31.4%
EBITDA	20,802	13,203	57.6%
EBITDA Margin	36.2%	30.2%	
Operating Profit	12,485	8,471	47.4%
Operating Margin	21.7%	19.4%	
Net Income before Exceptional Items	6,701	2,411	178.0%
Net Income	4,601	-875	n.m.
EPS (Mexican pesos)	0.40	-0.06	n.m.
EPADR (US dollars)	0.80	-0.14	n.m.

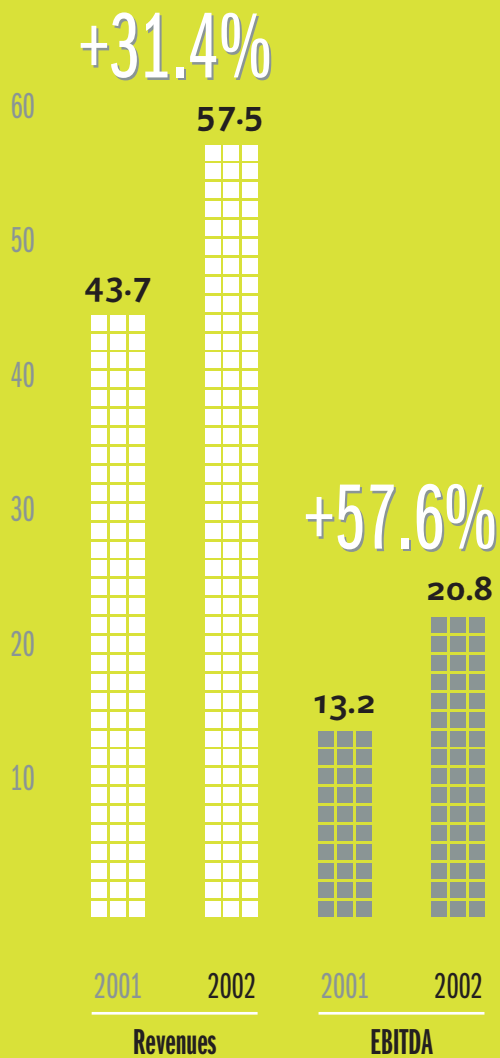
n.m. = not meaningful



EBITDA totaled 20.8 billion pesos, up 57.6% from 2001. EBITDA margin rose from 30.2% in 2001 to 36.2% in 2002.

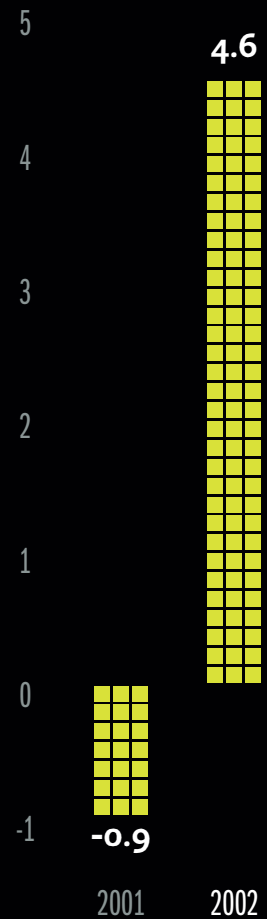
Consolidated Revenues and EBITDA

(billions of Mexican pesos)



Net Income

(billions of Mexican pesos)



Letter to our shareholders

In 2002 América Móvil attained an enviable balance of growth and free cash flow generation, on the back of a bigger and more profitable array of operations. The company was successful at boosting the efficiency not only of those subsidiaries it controlled at the outset, including Telcel, but also of those it came to control as a result of acquisitions completed during the year: Comcel, in Colombia, and Telecom Americas in Brazil.

These acquisitions reaffirmed América Móvil's position as the leading wireless operator in Latin America and contributed in a significant way to the 8.3 million increase in its equity subscribers. By the end of the year América Móvil's operations served 31.6 million subscribers in seven countries in the Americas, 94% of them in Latin America. Nearly all the subscribers (97%) were equity subscribers.

Whereas the expansion of the subscriber base became more moderate in certain countries or regions—given higher penetration rates and relatively weak economic conditions—in some places, like Colombia, Ecuador and some regions of Brazil, subscriber growth actually picked up.

Subscriber growth was the main driver behind the increase in consolidated revenues, which include Comcel's beginning in February and Telecom Americas' since July. They rose by 31.4% in the year, to 57.5 billion pesos, and helped bring about a major expansion of EBITDA, which totaled 20.8 billion pesos and was up 57.6% in the period. Practically all the subsidiaries managed to increase their EBITDA margins, and several came up with outstanding performances, even in light of the fast pace at which they were growing their subscriber base. This resulted in América Móvil's EBITDA margin moving up by 6 percentage points in 2002, to 36.2%.

Operating profits for the group reached 12.5 billion pesos, surpassing those of the previous year by nearly 50%, and contributed to generate a net profit in 2002 of 4.6 billion pesos. This profit would have been larger were it not for an impairment charge brought by one of its affiliates, which did not alter América Móvil's operating results but nevertheless had an impact on its net profit via its equity participation. The net profit mentioned above is a major improvement over the net loss registered in 2001, which totaled 875 million pesos. This improvement is particularly noteworthy considering that it took place in the face of significantly greater interest expenses, given the fact that the financial balance of the company moved from an average net cash position of 445 million pesos in 2001 to an average net debt of 29.1 billion pesos (both in December 2002 pesos) as América Móvil consolidated the debt of those entities whose control it acquired during the year.

The investment program undertaken by América Móvil's subsidiaries to expand their coverage, improve the quality of service and establish new products and services—including Telcel's new GSM network in Mexico—required capex spending of 10.8 billion pesos on a consolidated basis, which reaffirmed América Móvil's position as one of the more dynamic firms in Latin America, at the forefront of technological and commercial developments. On top of these capital expenditures one would have to add the resources invested in acquiring additional ownership interests in several of the subsidiaries of América Móvil and those spent buying back shares. These transactions were fully paid for with the sale of some América Móvil assets and the cash flow generated by its operations.

The combined net debt of América Móvil and the entities whose control it acquired during 2002 actually came down from 40.4 billion pesos to 36.5 billion pesos (in December 2002 pesos). Thus, in spite of its having consolidated new obligations, América Móvil's credit ratings ended the year at better levels than those they had at the beginning: this reflected both the rating upgrades awarded to the Mexican sovereign and the rating agencies' taking comfort with the overall liquidity and creditworthiness of the company following the afore-mentioned acquisitions. All three ratings for external debt from the major credit rating agencies fall within the range of investment grade at the international level—two of them a notch higher than the Mexican Government's—and for domestic debt issues all ratings are at the top of the domestic ratings scale. The net debt to EBITDA ratio, one of the main parameters in the assessment of the credit standing of a company, has remained well within the range seen at similarly-rated companies and has been trending down since the consolidation of Telecom Americas' debt.

It is important to note that Telcel completed in 2002—on budget and on schedule—coverage of 71 cities in Mexico with its new GSM network that allows it to provide new databased services in addition to voice. The company formally launched its GSM services in October and by the end of the year had over half a million GSM subscribers. The Colombian and Ecuadorean subsidiaries were then far advanced in their negotiations with vendors for a GSM overlay, and the Brazilian operations had also made significant progress in the same direction.

In any country having a good, comprehensive, nationwide coverage and the best service makes the difference to the clients. It is therefore of the essence that we invest adequately our resources in the construction of our wireless infrastructure. Telcel has done so in Mexico over more than ten years, reaching out to cover most of the territory, including important roads and highways: over 23,000 kilometers of them! This represents a degree of capillarity that the countries in the region are keen to replicate, and we shall help them reach that goal.

América Móvil is doing the same throughout its various operations. In fact, it would not have been possible to sustain the pace of subscriber and traffic growth had it not been for the past investments that its subsidiaries carried out precisely for that purpose. It is clear that for us to generate greater profits through the larger scale of our operations, we need to commit the capital resources required for it: it is thus that we will be able to reach more clients, sell more products and services, and maintain our competitive edge.

The importance of achieving as complete a footprint as possible in the countries we serve lies behind our efforts to expand in Brazil and Colombia. In the latter country we have attained nationwide coverage with the acquisition of Celcaribe, which provides wireless services in the Caribbean region of Colombia. In Brazil, the purchase from the Brazilian Government of new licenses to operate in the regions of Santa Catarina-Paraná, Bahía-Sergipe and Metropolitan Sao Paulo, has significantly expanded América Móvil's footprint in that country.

Following the above, América Móvil now has licenses to provide wireless services to a population of 280 million people in Latin America, which represents over half of the Latin American universe. This implies nationwide footprints in Mexico, Colombia, Guatemala, Ecuador and Nicaragua, and one that covers approximately two thirds of the Brazilian population. Everywhere América Móvil has a nationwide footprint (excepting Nicaragua, whose operations just got started at the end of the year) it is the top player and has been gaining market share. And in Brazil, a country that América Móvil entered recently, it has managed to put together a group with 5.2 million subscribers which has become one of the most important players there.

América Móvil has set a clear course for itself. A course that has led—and will continue to do so—to the expansion of its activities in Latin America, our homeland. Surely many challenges lay ahead, but also great opportunities for us to grow profitably in years to come: after all, wireless penetration rates, MOUs and ARPU's are still relatively low in most countries in the region.

Taking advantage of the opportunities and overcoming the challenges will require a major team effort, but we believe that our personnel and management are up to the task. We have had a good integration of the companies we are now managing around a common culture that fosters cost containment and promotes value service, a culture that understands that to be competitive and remain competitive it is necessary for a company to invest, that without adequate investments in infrastructure, products and human resources a firm cannot possibly be close to its clients. We thus need to be mindful of the importance of preserving our financial strength as we grow.

América Móvil's
EBITDA margin
moved up by 6
percentage points
in 2002, to 36.2%

Carlos Slim Helú
Chairman of the Board

Daniel Hajj Aboumrad
Chief Executive Officer

América Móvil



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DIGITAL



América Móvil, already the largest wireless-services provider in Latin America, topped the region's new-subscriber rankings by adding 5.6 million subscribers in 2002 to finish the year with a total of 31.6 million wireless clients distributed in 7 countries in the Americas. Its Mexican subsidiary Telcel contributed over 55% of the net subscriber gains of the period, which allowed it to surpass the 20 million-subscriber mark. Brazilian subsidiary Telecom Americas came second to Telcel in terms of total subscribers, with 5.2 million, followed by Colombian subsidiary Comcel, with 2.8 million.

Considering its economic interest in the various operators that cover the region, nearly all of the above-mentioned subscribers (97%) are deemed to be equity subscribers of América Móvil. This reflects, among other things, the acquisitions effected by the company in the period, which led to the consolidation in América Móvil of the Colombian subsidiary Comcel (beginning in February) and of the Brazilian operations integrated under Telecom Americas (from July). They also reflect the sale of the 50% interest América Móvil held in Cellular Communications of Puerto Rico, which operates under the name of Cingular Puerto Rico.

The company generated consolidated revenues of 57.5 billion pesos in 2002, 31.4% more than in the previous year, with service revenues growing by 26.7%. In relative terms the expansion of service revenues was very much in line with the rate of growth of the subscriber base. Somewhat more than two thirds of the consolidated revenues were generated by Telcel.

EBITDA totaled 20.8 billion pesos and was up 57.6% relative to the previous year, as revenues outpaced costs 1.6 to 1. This reflects, among other things, the results of policies meant to keep costs down. The EBITDA margin shot up to 36.2% in the year, an increase of six percentage points relative to the year before.

Given the above, operating profits rose as a percent of revenues from 19.4% in 2001 to 21.7% in 2002, in which they totaled 12.5 billion pesos. Year-on-year, operating profits increased 47%. This resulted in a total net profit for 2002, before exceptional items, of 6.7 billion pesos, 2.8 times greater than the one seen a year before. However, an impairment charge of 2.1 billion pesos associated with CompUSA had the effect of reducing to 4.6 billion pesos the net income of the year. This impairment charge did not alter the operating results but made itself felt through América Móvil's equity participation in the results of affiliates.

The Company topped the region's new-subscriber rankings by adding 5.6 million subscribers in 2002.

The net debt position of América Móvil ended the year at 36.5 billion pesos. Its cash and securities position stood then at 10.6 billion pesos and was roughly equal to the amount of short-term debt, which attests to the good liquidity position of the company. The ratio of net debt to EBITDA (last twelve months) was 1.75 times at the end of the year.

In addition to the transactions mentioned above that gave América Móvil control over the Comcel and Telecom Americas operations, the company decided to expand its footprint in Brazil and Colombia through the purchase from the Brazilian Government of licenses to operate in three new regions of Brazil under the 1800 MHz frequency (Metropolitan Sao Paulo; Santa Catarina and Paraná; and Bahía and Sergipe) and an agreement to acquire wireless provider Celcaribe, which operates in the Caribbean region of Colombia. The company also completed in 2002 the sale of its 49% interest in Mexican cable company Cablevisión and does not participate any longer in the capital of Brazilian cable company Canbras.

América Móvil's Subsidiaries and Affiliates // December 2002

Country	Company	Business	Equity Participation
SUBSIDIARIES			
Mexico	Telcel	Wireless	100.0%
Guatemala	Telgua	Wireless, wireline	96.0%
Ecuador	Conecel	Wireless	80.6%
Colombia	Comcel ⁽¹⁾	Wireless	95.7%
United States	Tracfone	Wireless	97.8%
Argentina	Techtel	Broadband, wireline	60.0%
Brazil	Telecom Americas ⁽²⁾	Wireless	96.6%
AFFILIATES			
United States	CompUSA	Other	49.0%
United States	Telvista	Other	44.2%

(1) Comcel holds directly 36.6% of Ocel and América Móvil holds indirectly 60.8% of Ocel.

(2) Telecom Americas holds an equity participation in both ATL and Tess of 100% and of around 81.5% in both, Telet and Ameritel.

Note: Subsidiaries and affiliates are consolidated under the global consolidation method and the equity method, respectively.



Mexico

TELCEL



América Móvil's Mexican subsidiary Telcel continued to post solid operating and financial results in 2002, confirming its position as the leading wireless services provider in the country. Telcel's competitive advantages, such as its nationwide coverage, its widespread distribution network and the broad range of products and services it offers, enabled it to stay on track despite increased penetration levels in Mexico and a more competitive environment.

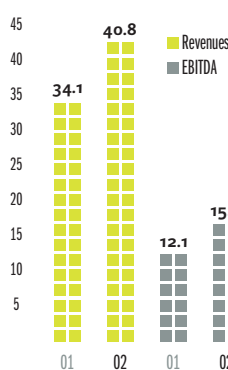
Telcel added 3.1 million new subscribers, lifting the subscriber base to 20.1 million in a country with a population of approximately 102 million people. Subscriber growth slowed somewhat from that registered in 2001 as a result of the reduced levels of economic activity and higher penetration.

The company remains focused on profitability as well as subscriber growth and its success in that area was apparent in its annual results. Revenues increased almost 20% annually to 40.8 billion pesos (4.2 billion dollars) by year-end in spite of the weakened economic situation in Mexico and the slower subscriber growth. In fact ARPUs remained relatively strong throughout the year, posting increases in the last three quarters. This was the case both for prepaid and postpaid ARPUs, which were supported by continued quarterly increases in MOUs: by the fourth quarter postpaid MOUs were up 10.8% year on year, whereas prepaid MOUs had risen by 15.2%.

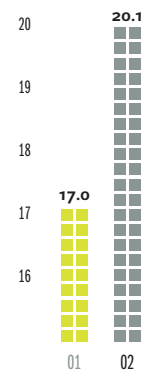
Effective cost control policies helped bring about an improvement in the company's operating results. EBITDA grew almost 30% to 15.7 billion pesos, or 38.5% of revenues, nearly three percentage points more than the EBITDA margin seen the previous year. Operating income rose to 11.9 billion pesos from 9.5 billion registered in 2001.

During the year, Telcel made significant capital investments, amounting to over 8 billion pesos. These were directed to the improvement of the quality of its services and the expansion of its capacity and coverage through both its TDMA network and its new GSM network. These capital expenditures will help ensure that its infrastructure can support the steadily increasing volumes of voice traffic that have resulted from the subscriber growth of recent years and that Telcel's subscribers have at their disposal efficient data transfer capabilities.

Financial Results >> Mexico
(billions of Mexican pesos)



Subscribers >> Mexico
(millions)



As subscribers have become more profitable, revenues reached 40.8 billion pesos by the end of the year.

Telcel launched on October 1st its GSM services in Mexico, making available state-of-the-art handsets as well as high-speed data transmission and extended areas for international roaming. By year-end, GSM was available in more than 70 cities and roughly half a million clients had signed up for the service, for which Telcel is currently the sole provider in Mexico. New roaming agreements for GSM have resulted in much larger international roaming capabilities, which will continue to grow as more roaming agreements are put in place.

Telcel's networks serve nearly 125 thousand cities and towns and over 23 thousand kilometers of roads and highways, making it the operator with the most comprehensive coverage in the country. The areas it services comprise 90% of the population of Mexico. Telcel's ample coverage is supported by more than 19.4 thousand points of sale—not including ATMs and secondary distributors—, 124 customer service centers and almost 900 direct distributors.

In 2002 Telcel introduced short messaging services (SMS), which quite rapidly became popular among the company's customers. At the close of the year the monthly volume of messages had reached over 120 million. The applications available for SMS users are ring-tone downloads and information services. Telcel expects to expand its SMS services by launching more sophisticated applications such as Multimedia Message System (MMS), polyphonic ring-tones and logo downloads, among others.

In terms of quality, Telcel has invested and implemented different types of projects in order to be able to offer its customers the best service.



Brazil

TELECOM AMERICAS



América Móvil's presence in Brazil is essential to cement its position as the leading wireless services provider in Latin America. Brazil has more than 170 million people and a low market penetration and thus enormous growth potential. América Móvil's experience in the region will allow its subsidiary, Telecom Americas, to become a key player.

In 2002 Telecom Americas consolidated its presence as one of the main wireless operators in Brazil, the third one in terms of subscribers. It also completed a restructuring which had been agreed to the previous year and was to result in Telecom Americas ceasing to have an equity interest in América Móvil's subsidiaries Comcel and Techtel, in Brazilian cable company Canbras and in Venezuelan broadband firm Genesis to become a pure Brazilian wireless player. In the context of this restructuring, Telecom Americas' interest in ATL went up from 59% to 100%.

This restructuring was followed by another one at the shareholder level, in which Bell Canada International and Southwestern Bell Corporation International sold their ownership interest in Telecom Americas to América Móvil and a new financial investor was brought in. América Móvil's interest in Telecom Americas rose to 96.6% by the end of the year, from 45.5% a year before.

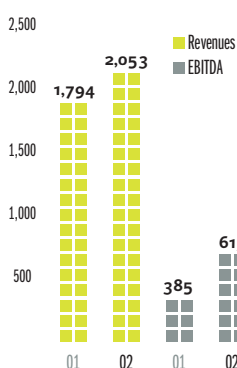
Telecom Americas added 860 thousand subscribers in 2002, to finish the year with a subscriber base of 5.2 million, an increase of almost 20% compared to the previous year. This increase took place in the face of a more competitive environment—partly because of the emergence of new competitors—and of the greater political and economic uncertainty that surrounded the presidential elections, which negatively impacted the country.

Total sales surpassed the 2 billion reais mark (700 million dollars), growing by 14.5% year on year. The partial integration of the four Brazilian units brought about significant cost reductions across the companies. These helped generate a 59.1% rise in EBITDA during the year, to 613 million reais (209 million dollars). The EBITDA margin has gone from 21.5% in the year 2001—the year when most of the ownership interests that Telecom Americas has in four Brazilian wireless companies were acquired—to almost 30% in 2002.

América Móvil expanded its Brazilian footprint late in the year with the acquisition in November of three PCS licenses in the 1800 MHz spectrum to provide wireless services in the regions of Paraná and Santa Catarina, Bahía and Sergipe and the city of Sao Paulo. The cost of these licenses was 429 million reais. With those licenses, Telecom Americas may now serve a population of 110 million people, 65% of the Brazilian total.

Telecom Americas is going ahead with plans to deploy a GSM network in the new regions and build a GSM overlay in those regions where it currently has operations.

Financial Results >> Brazil
(millions of Brazilian reais)



Subscribers >> Brazil
(millions)



Colombia

COMCEL



Revenues for the year amounted to **1 trillion Colombian pesos**, with service revenues increasing by **59%** year over year.

Upon completion in February 2002 of a restructuring of Telecom Americas, its 77.1% ownership interest in Colombian wireless operator Comcel was transferred to América Móvil, which began consolidating Comcel in its financial statements that month. Capitalization of certain debt obligations of Comcel and the acquisition of some minority interests lifted América Móvil's interest in Comcel to 95.7% by the end of the year.

América Móvil's Colombian operations have since been complemented by the acquisition of Celcaribe—an operator in the Caribbean region—that gave it a full national footprint in that country.

Comcel is now considered the leader in services, quality and technology in Colombia. It added 937 thousand subscribers in the year—a 50% increase—and became the second largest contributor of net subscriber gains after Telcel. By the end of the year Comcel had 2.8 million subscribers, to which approximately 250 thousand more were added with the closing of the Celcaribe acquisition shortly after the turn of the year.

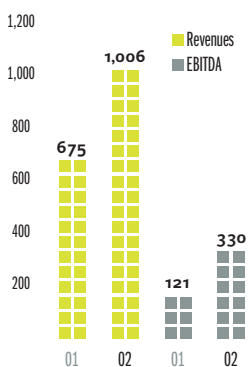
Comcel's 2002 revenues amounted to 1 trillion Colombian pesos (401 million dollars), with service revenues increasing by 59% year over year, even more rapidly than the subscriber base. With costs and expenses well contained, its EBITDA nearly trebled that of the previous year, to 330 billion Colombian pesos (131 million dollars), or 33% of total revenues.

The above resulted in an operating profit of 91 billion Colombian pesos (36 million dollars) for the year, in sharp contrast to the 86 billion Colombian pesos (37 million dollars) operating loss registered during 2001.

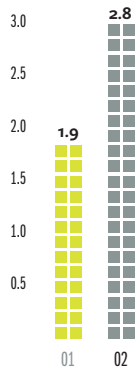
To be able to maintain present and future growth in this country of 44 million people and a low penetration rate (10.5%), Comcel has accelerated its investment program, which absorbed 217 billion Colombian pesos (86 million dollars) in the year. The company has proceeded with plans to build a GSM overlay in the country.



Financial Results >> Colombia
(billions of Colombian pesos)



Subscribers >> Colombia
(millions)



Ecuador

CONECEL



Porta displayed the best subscriber growth rate among all the subsidiaries.

América Móvil's Ecuadorean unit Conecel, a wireless operator which markets under the brand Porta, produced the strongest rate of subscriber growth among all the group's subsidiaries, reflecting effective consumer targeting and a solid marketing campaign.

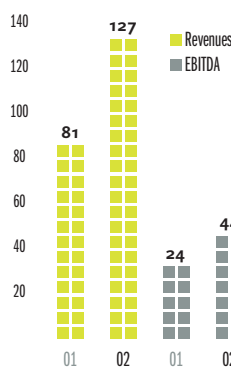
Porta's subscriber base reached 923 thousand, having added 439 thousand subscribers in the year, an increase of more than 90%. With a population of over 12.5 million and wireless penetration estimated to be 13%, it is expected that Ecuador will see substantial growth for some time to come.

Conecel's annual revenues reached 127 million dollars in 2002, rising 57% relative to the prior year, with equipment revenues more than doubling those of 2001. EBITDA, at 44 million dollars, represented 34.8% of total revenues, up from 29.2% a year before, in spite of the very rapid pace of subscriber growth. Operating profits grew to 16 million dollars, which compares to a 1 million dollar loss the previous year.

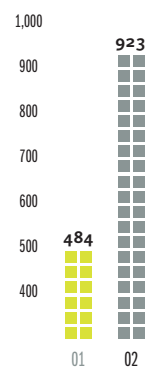
The company has made important investments and is going ahead with the development of a GSM network in the near future to provide its subscribers with the most up to date technology.

Being close to its customers has been a priority for Conecel, which has become the largest provider of wireless services in Ecuador, and a very efficient and profitable one at that.

Financial Results >> Ecuador
(millions of US dollars)



Subscribers >> Ecuador
(thousands)



Guatemala

TELGUA

Telgua was the second largest contributor in terms of EBITDA generation during 2002.

América Móvil's expansion in Central America is being managed through its Guatemalan subsidiary Telgua, a full service telecom provider. The company has steadily grown the different businesses that make up the Telgua group: Telecomunicaciones de Guatemala (Telgua, fixed wireline), Servicios de Comunicaciones de Guatemala, S.A. (Sercom, wireless), Publitel (public telephony) and Telglob, S.A. (cable), all of which operate in Guatemala. Sercom and Telgua are the leading telecom operators in the country in their respective sectors.

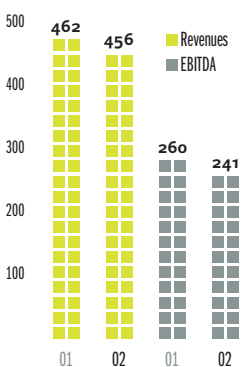
Furthermore, convinced that Central America, a market served by relatively few wireless players, provides ample growth potential, Telgua acquired in September through its new subsidiary Servicios de Comunicaciones de Nicaragua, S.A., a nationwide PCS license to operate in that country. Soon after, it began the deployment of a GSM network and three months later launched GSM services under the brand name PCS Digital (the same one it has in Guatemala) in the capital city of Managua.

Within the América Móvil group Telgua was in 2002 the second largest contributor of EBITDA, after Telcel. Its EBITDA amounted to 241 million dollars on revenues of 456 million dollars, a margin of 52.8%. Revenues were slightly below those of the previous year, given that the prior year certain extraordinary revenues had been booked, and that 2002 revenues were negatively impacted by a reduction in long distance rates.

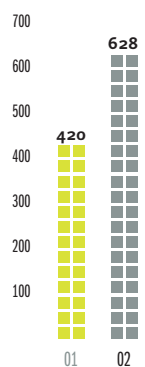
Telgua set up 89 thousand fixed lines during the year, bringing its total to 804 thousand lines, providing both basic and advanced services. Sercom, on its part, exhibited great dynamism, adding 208 thousand new subscribers during the year—a 49% annual increase—to reach 628 thousand subscribers. By providing quality services and top-of-mind products, such as the “Aló” kit, Sercom reaffirmed its leadership in the Guatemalan wireless market. It is estimated that wireless penetration is only 11.5% in this country of over 12 million people. The Telgua group invested over 100 million dollars in 2002, which will enable it to have adequate infrastructure in place to satisfy the growing demand for telecom services in Guatemala.



Financial Results >> Guatemala
(millions of US dollars)



Subscribers >> Guatemala
(thousands)



United States

TRACFONE



Tracfone centered its business strategy on improving the company's profitability.

América Móvil's U.S. subsidiary, Tracfone is the largest Mobile Virtual Network Operator in the United States and has become a premier prepaid wireless service provider in that country. It registered a significant improvement in its financial position in 2002.

Total revenues came in at 413 million dollars after taking into account a one-time adjustment in the company's revenue deferral policy that reduced fourth quarter revenue by 21.2 million dollars. In the absence of such change and of a certain release of excess reserves associated with the payment of local taxes, revenues would have increased slightly relative to the previous year. By the end of the fourth quarter, MOUs were up 18.3% over a year earlier, providing good support to ARPUs.

Cost control measures continued to yield results, with SG&A expenses down 38% on the year. As a result of the above, the EBITDA loss posted in 2002 was barely 9 million dollars, when the previous year had seen a 136 million dollar loss. In fact, without the change in accounting policy and reserves mentioned above the company virtually would have broken-even in the year (it did better than break-even in the second half).

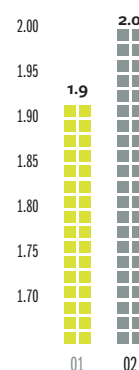
Tracfone had more modest subscriber growth than in 2001, with net additions of 55 thousand subscribers, ending the year with nearly 2 million subscribers. But it significantly reduced churn, from a monthly average of 8.8% to 5.4% in 2002. It achieved this decline through continued use of loyalty and customer retention programs started back in 2001 and various marketing initiatives.

The company began to sell only digital phones in 2002; by year-end, 42.2% of the subscriber base was digital.

Financial Results >> USA
(millions of US dollars)



Subscribers >> USA
(millions)



Board Members

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Chairman of the Board

María Asunción Aramburuzabala Larregui

Vice Chairwoman

Grupo Modelo, S.A. de C.V.

Grupo Televisa, S.A. de C.V.

Jaime Chico Pardo

Vice Chairman and Chief Executive Officer

Teléfonos de México, S.A. de C.V.

Claudio X. González Laporte

Chairman of the Board and

Chief Executive Officer

Kimberly Clark de México, S.A. de C.V.

Daniel Hajj Aboumrad

Chief Executive Officer

América Móvil, S.A. de C.V.

América Telecom, S.A. de C.V.

David Ibarra Muñoz

Consultant

CEPAL and The United Nations

Richard D. McCormick

Executive Director, International Operations

SBC Communications Inc.

Drew A. Roy

President, International Operations

SBC Communications Inc.

Alejandro Soberón Kuri

Chairman of the Board and

Chief Executive Officer

Corporación Interamericana de

Entretenimiento, S.A. de C.V.

Secretary**Rafael Robles Miaja**

Partner

Franck, Galicia y Robles, S.C.

Statutory Auditor**Agustín Aguilar Laurents**

Partner

Mancera, Ernst & Young

Alternate Auditor**Francisco Alvarez del Campo**

Partner

Mancera, Ernst & Young

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América Móvil**Daniel Hajj Aboumrad**

Chief Executive Officer

Carlos José García Moreno Elizondo

Chief Financial Officer

Carlos Cárdenas Blásquez

Executive Director

Latin American Operations

Alejandro Cantú Jiménez

General Counsel

Telcel**Luis Cosío Prior**

Director of Operations

Salvador Cortés Gómez

Director of Operations

Fernando Ocampo Carapia

Chief Financial Officer

Telgua**José Formoso Martínez**

Chief Executive Officer

José Cervantes Rivera

Chief Financial Officer

Comcel**Adrián Hernández Urueta**

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Conecel**Carlos Hernán Zenteno de los Santos**

Chief Executive Officer

Marco Antonio Campos García

Chief Financial Officer

Techtel**Héctor Masoero**

Chief Executive Officer

Guillermo Bugge

Chief Financial Officer

Tracfone**F.J. Pollak**

Chief Executive Officer

Gustavo Blanco Villanueva

Executive Director

Telecom Americas**Carlos Henrique Moreira**

Chief Executive Officer

Alicia Nuñez de la Huerta

Chief Financial Officer

Letter of the Audit Committee

Mexico City, Federal District as of April 15, 2003.

To the Board of Directors of América Móvil, S.A. de C.V.
Dear members of the Board:

Pursuant to paragraph Five of Article 14 Bis 3 of the Securities Market Law and the recommendations contained in the Best Corporate Practices Code (Código de Mejores Prácticas Corporativas), by the Audit Committee of América Móvil, S.A. de C.V. (the "Company"), by this means I inform you the activities carried out by the Audit Committee of the Company during the fiscal year ended on December 31, 2002.

The Management of the Company has the responsibility to issue the financial statements in accordance with the general accepted accounting principles in Mexico, prepare on time and form the financial information and any other information to be disclosed in the securities market and to implement internal controlling systems. To this respect, the Audit Committee has reviewed, on behalf of the Board of Directors, the consolidated and audited financial statements of the Company and its subsidiaries as of December 31, 2002. Such review included the analysis and approval of politics, procedures and accounting practices of the Company.

In connection with the functions of the Audit Committee of the Company, during the fiscal year the following activities were carried out:

Analysis of several options and recommend to the Board of Directors the candidates of the external auditors of the Company, including their mandate and the terms and conditions, in order to carry out the accounting audit of the Company.

Interviews with external auditors of the Company to verify their compliance with the independence requirements and personnel rotation.

Review together with the external auditors of the Company, the analysis and comments prepared during the audit, as well as the procedures used and the length of such procedures, to secure that such procedures have been realized in the most possible objective manner, and that the financial information will be useful, and liable.

Collaboration in the supervision for the compliance of the audit agreements, as well as the evaluation of its results.

Recommendation to the Board of Directors of the basis for the elaboration and diffusion of the financial information of the Company, as well as the general regulations for its internal control.

Review of the financial statements of the Company as of December 31, 2002, the auditors report, as well as the accounting politics used in the elaboration of the financial statements. After having reviewed the comments of the external auditors, which are responsible to express their opinion in connection with the financial statements and their conformity with the general accepted accounting principles in Mexico, it was suggested to the Board of Directors of the Company to approve the financial statements to be presented in the General Annual Ordinary Shareholders Meeting of the Company.

Review and analysis of several transactions with related parties.

Review and analysis of the report of the Board of Directors with respect to the corporate situation of the Company, including the review of legal documentation of the Company.

The above mentioned, in order to comply with the provisions of the Securities Market Law, and any other dispositions and functions that have been or shall be attributed to this Audit Committee by the Board of Directors of the Company.

Sincerely,



Alejandro Soberón Kuri
Chairman of the Audit Committee

Consolidated Financial Statements

Years ended December 31, 2002 and 2001

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Report of Independent Auditors

To the Stockholders of
América Móvil, S.A. de C.V.

We have audited the accompanying consolidated balance sheets of América Móvil, S.A. de C.V. and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of operations, changes in stockholders' equity and changes in financial position for each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of some of the subsidiaries at December 31, 2002 and 2001, which collectively account for 8% and 10% of operating revenues and 10% and 11% of total assets in 2002 and 2001, respectively, of the related consolidated amounts at such dates, as well as the financial statements of some of the affiliates at December 31, 2001, which collectively account for 21% of total assets and 90% of total equity in the results of affiliates at such date were examined by other independent auditors, and our opinion, insofar as it relates to the financial information of such subsidiaries, is based solely on the reports of the other independent auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are prepared in conformity with accounting principles generally accepted in Mexico. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of América Móvil, S.A. de C.V. and subsidiaries at December 31, 2002 and 2001, and the consolidated results of their operations, changes in their stockholders' equity and changes in their financial position for the years then ended, in conformity with accounting principles generally accepted in Mexico, which differ in certain respects from those followed in the United States of América (see Note 20).

Mancera, S.C.
A Member Practice of Ernst & Young Global



Francisco Alvarez

Mexico City
February 25, 2003

Report of Statutory Auditor

To the Stockholders of
América Móvil, S.A. de C.V.

In my capacity as statutory auditor and in compliance with Article 166 of the Mexican Corporations Act and the bylaws of América Móvil, S.A. de C.V., I am pleased to present my report on the financial statements for the year ended December 31, 2002, as submitted to you by the Board of Directors.

Among the auditing procedures applied, I personally attended, or in my absence the alternate statutory auditor, the stockholders' and the Board of Directors' meetings to which I was summoned. I reviewed, to the extent that I considered necessary in the circumstances, the unqualified report of the Company's independent auditors dated February 25, 2003, issued as a result of their audit of the financial statements made in accordance with auditing standards generally accepted in Mexico. Such financial statements are the responsibility of the Company's management.

In my opinion, based on my examination and the report of the other independent auditors mentioned in the preceding paragraph, the accounting and reporting policies and criteria observed by the Company in the preparation of the financial statements that are being presented to the stockholders are adequate and sufficient and were applied on a basis consistent with that of the prior year. Consequently, it is also my opinion that the above-mentioned financial statements present accurately, fairly and sufficiently, in all material respects, the financial position of América Móvil, S.A. de C.V. and subsidiaries at December 31, 2002, and the consolidated results of their operations, changes in their stockholders' equity and changes in their financial position for the year then ended, in conformity with accounting principles generally accepted in Mexico.



Agustín Aguilar
Statutory Auditor

Mexico City
February 25, 2003

Consolidated Balance Sheets

(Thousands of Mexican pesos with purchasing power at December 31, 2002)

DECEMBER 31,

	2002	2001
ASSETS		
Current assets:		
Cash and short-term investments	Ps. 9,149,736	Ps. 2,671,276
Marketable securities (Note 3)	1,452,440	10,463,206
Accounts receivable, net (Note 4)	6,273,627	4,633,509
Related parties (Note 15)	586,129	1,769,450
Inventories, net (Note 5)	3,007,784	3,602,490
Prepaid expenses and other current assets	890,213	664,634
Total current assets	21,359,929	23,804,565
Investments in affiliates and others (Note 8)	3,165,159	24,768,534
Plant, property and equipment, net (Note 6)	60,588,631	42,256,562
Licenses, net (Note 7)	15,374,134	2,615,390
Trademarks (Note 8)	6,537,011	
Goodwill, net (Note 8)	6,024,696	4,499,914
Total assets	Ps. 113,049,560	Ps. 97,944,965
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt (Note 12)	Ps. 10,230,843	Ps. 6,663,349
Accounts payable and accrued liabilities (Notes 10 and 11)	10,941,355	10,094,376
Taxes payable	1,847,722	1,253,303
Related parties (Note 15)	105,996	340,573
Deferred revenues	2,699,863	1,562,309
Total current liabilities	25,825,779	19,913,910
Long-term debt (Note 12)	35,971,372	16,037,512
Deferred taxes (Note 17)	2,058,951	2,118,854
Deferred credits	552	17,739
Total liabilities	63,856,654	38,088,015
Stockholders' equity (Note 16):		
Capital stock	30,002,093	30,009,386
Retained earnings:		
Prior years	28,804,499	32,375,467
Net income (loss) for the year	4,601,036	(875,274)
	33,405,535	31,500,193
Other accumulated comprehensive income items	(15,392,718)	(2,443,090)
Total majority stockholders' equity	48,014,910	59,066,489
Minority interest	1,177,996	790,461
Total stockholders' equity	49,192,906	59,856,950
Total liabilities and stockholders' equity	Ps. 113,049,560	Ps. 97,944,965

Consolidated Statements of Operations

(Thousands of Mexican pesos, except earnings per share, with purchasing power at December 31, 2002)

YEAR ENDED DECEMBER 31,

	2002	2001
Operating revenues:		
Services:		
Usage charges	Ps. 31,600,539	Ps. 27,144,404
Monthly rent	10,353,323	5,380,460
Long-distance	4,762,061	4,070,345
Other services	1,510,647	1,888,443
Telephone equipment sales and other:		
Sales of handsets and accessories	6,920,417	3,825,251
Other revenues	2,314,395	1,412,753
	57,461,382	43,721,656
Operating costs and expenses:		
Cost of sales and services	24,412,549	18,752,637
Commercial, administrative and general	12,247,190	11,765,856
Depreciation and amortization (Notes 6 to 8)	8,277,641	4,732,373
Impairment in affiliates (Note 8)	39,236	2,051,169
	44,976,616	37,302,035
Operating income	12,484,766	6,419,621
Comprehensive financing cost:		
Interest income	1,347,988	850,400
Interest expense	(2,401,053)	(1,101,300)
Exchange loss, net	(1,468,135)	(367,447)
Monetary position gain (loss), net	2,762,316	(786,392)
Other financing (loss) income, net	(1,225,106)	765,230
	(983,990)	(639,509)
Other income, net	259,752	407,052
Income before income tax and employee profit sharing	11,760,528	6,187,164
Provisions for:		
Income tax (Note 17)	3,088,688	3,164,645
Employee profit sharing	194,580	201,670
	3,283,268	3,366,315
Income before equity interest in results of affiliates	8,477,260	2,820,849
Equity in net results of affiliates	(4,010,537)	(3,911,596)
Net income (loss)	Ps. 4,466,723	Ps. (1,090,747)
Distribution of net income (loss):		
Majority interest	Ps. 4,601,036	Ps. (875,274)
Minority interest	(134,313)	(215,473)
Net income (loss)	Ps. 4,466,723	Ps. (1,090,747)
Weighted average of common shares outstanding (million)	13,123	13,615
Net income (loss) majority interest earnings per share	Ps. 0.350	Ps. (0.064)

Consolidated Statements of Changes in Stockholders' Equity

(Thousands of Mexican pesos with purchasing power at December 31, 2002)

	CAPITAL STOCK	LEGAL RESERVE	RETAINED RESERVE FOR PURCHASE OF COMPANY'S OWN SHARES
Balance at December 31, 2000	Ps. 30,031,274	Ps. 308,370	
Increase in legal reserve		87,490	
Increase in reserve for purchase of Company's own shares			Ps. 10,792,499
Dividends paid			
Cash purchase of Company's own shares	(21,888)		(7,212,811)
Comprehensive income:			
Net loss for the year			
Other comprehensive income items:			
Effect of translation of foreign entities			
Results from holding non-monetary assets			
Effect of current year deferred income tax on stockholders' equity accounts			
Minority interest			
Comprehensive loss			
Balance at December 31, 2001	30,009,386	395,860	3,579,688
Dividends paid			
Cash purchase of Company's own shares	(7,293)		(2,101,007)
Comprehensive income:			
Net income for the year			
Other comprehensive income items:			
Effect of translation of foreign entities			
Results from holding non-monetary assets			
Effect of current year deferred income tax on stockholders' equity accounts			
Minority interest			
Comprehensive loss			
Balance at December 31, 2002 (Note 16)	Ps. 30,002,093	Ps. 395,860	Ps. 1,478,681

Consolidated Statements of Changes in Financial Position

(Thousands of Mexican pesos with purchasing power at December 31, 2002)

YEAR ENDED DECEMBER 31,

	2002	2001
Operating activities:		
Majority net income (loss)	Ps. 4,466,723	Ps. (1,090,747)
Add (deduct) items not requiring the use of resources:		
Depreciation	6,180,189	3,771,521
Amortization	2,097,452	960,852
Deferred income tax	(366,412)	(288,822)
Impairment in affiliates	39,236	2,051,169
Equity in results of affiliates	4,010,537	3,911,596
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(1,640,118)	184,166
Prepaid expenses	(225,579)	(46,219)
Inventories	594,706	308,798
Increase (decrease) in:		
Accounts payable and accrued liabilities	846,979	(2,044,010)
Related parties	948,744	(540,236)
Deferred revenues and credits	1,120,367	328,476
Taxes payable	594,419	966,726
Resources provided by operating activities	18,667,243	8,473,271
Financing activities:		
New loans	40,252,863	21,135,607
Repayment of loans	(16,751,509)	(7,068,493)
Decrease in capital stock and retained earnings due to purchase of Company's own shares	(2,108,300)	(7,234,699)
Cash dividends paid	(594,687)	(598,552)
Resources provided by financing activities	20,798,367	6,233,863
Investing activities:		
Investment in plant, property and equipment	(24,512,258)	(11,699,676)
Investment in subsidiaries and affiliated companies	792,140	(15,856,776)
Initial cash from companies acquired	1,502,253	
Investment in licenses	(13,243,040)	(279,610)
Investment in trademarks	(6,537,011)	
Investment in marketable securities	9,010,766	(8,699,265)
Resources used in investing activities	(32,987,150)	(36,535,327)
Net increase (decrease) in cash and short-term investments	6,478,460	(21,828,193)
Cash and short-term investments at beginning of year	2,671,276	24,499,469
Cash and short-term investments at end of year	Ps. 9,149,736	Ps. 2,671,276

Notes to Consolidated Financial Statements

(Thousands of Mexican pesos with purchasing power at December 31, 2002)

1. DESCRIPTION OF THE BUSINESS

a) Telmex spin-off

The spin-off by Teléfonos de México, S.A. de C.V. (Telmex) of the entities comprising América Móvil, S.A. de C.V. and its subsidiaries (collectively, the Company or América Móvil) was approved by Telmex stockholders at an extraordinary stockholders' meeting held on September 25, 2000, at which time each holder of Telmex shares became the owner of an equal number of América Móvil shares of the corresponding class. As a result of the spin-off, América Móvil was established as a Mexican corporation, independent of Telmex, to which specified assets, liabilities and equity were transferred.

Prior to the spin-off, the entities comprising América Móvil operated independently of Telmex. Costs and expenses incurred or paid by Telmex on behalf of these entities were passed on to the respective companies. Telmex and Radiomóvil Dipsa, S.A. de C.V. (Telcel), a significant subsidiary of América Móvil, have extensive operational relationships including, among others, the interconnection of its respective networks and the use of facilities, particularly the co-location on premises owned by Telmex. These operational relationships are subject to various agreements, which, for the most part, were in place prior to the spin-off and have continued in effect without significant modification following the spin-off. Many of them are also subject to specific regulations governing all telecommunications operators. The terms of these agreements are similar to those on which each company does business with other unaffiliated parties.

Neither Telmex nor América Móvil owns any capital stock in the other; however, both companies are controlled by the same group of stockholders. The relationship between Telmex and América Móvil is limited to: a) agreements related to the spin-off and b) commercial relationships in the ordinary course of business between a major fixed-line network operator and a major wireless network operator as described above.

b) Acquisition of subsidiaries

During 2002 América Móvil, Bell Canada International, Inc. (BCI) and SBC International, Inc. (SBCI) initiated a restructuring of Telecom Américas, Ltd., exclusively for the purpose of maintaining equity investments in Brazilian cellular phone companies. Among other consequences, this restructuring resulted in the acquisition of Comunicación Celular, S.A. de C.V. and subsidiaries (Comcel) as of February 2002, as well as the Company's acquisition of BCI and SBCI's equity interest in Telecom Américas as of July 2002; consequently, the financial statements of Comcel and Telecom Américas have been consolidated with those of América Móvil since February and July, respectively. See Note 8 for additional information.

c) Operations

América Móvil is a leading provider of wireless communications services in Mexico through its subsidiary Radiomóvil Dipsa, S.A. de C.V., which operates under the trademark "Telcel". América Móvil provides Mexico's nationwide cellular telecommunications services.

Additionally, América Móvil has subsidiaries and equity investments in affiliated companies in the telecommunications sector in Guatemala, Ecuador, Brazil, Argentina, Colombia and the United States.

At December 31, 2002 and 2001, the America Movil's equity interest in its principal subsidiaries and affiliated companies is as follows:

NAME OF COMPANY	LOCATION	EQUITY INTEREST AT DECEMBER 31,	
		2002	2001
Subsidiaries: (1)			
Sercotel, S.A. de C.V.	Mexico	100.0%	100.0%
Radiomóvil Dipsa, S.A. de C.V.	Mexico	100.0	100.0
TracFone Wireless, Inc.	USA	97.8	97.8
Telecom Américas, Ltd.: (2)	Bermuda	96.5	45.5
ATL-Algar Telecom. Leste, S.A.	Brazil	96.5	26.8
Americel, S.A.	Brazil	78.1	34.1
Telet, S.A.	Brazil	78.6	35.3
Tess, S.A.	Brazil	96.5	45.5
América Central Tel, S.A. (ACT): (3)	Guatemala	96.9	94.9
Telecomunicaciones de Guatemala, S.A. (TELGUA)	Guatemala	98.8	93.8
Servicios de Comunicaciones Personales Inalámbricas, S.A., (Sercom)	Guatemala	98.8	93.8
Telglob, S.A.	Guatemala	99.9	99.9
Telefonía Publica de Guatemala, S.A. (Publitel)	Guatemala	99.9	99.9
Comunicación Celular, S.A. (Comcel): (4)	Colombia	95.7	35.3
Occidente y Caribe Celular, S.A. (Ocel)	Colombia	95.2	28.6
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Concel)	Ecuador	80.6	61.3
Techtel-LMDS Comunicaciones Interactivas, S.A.	Argentina	60.0	27.3
Affiliates: (1)			
CompUSA, Inc.	USA	49.0	49.0
Organización Recuperadora de Cartera, S.A. de C.V.	Mexico	45.0	45.0
Genesis Telecom C.A.	Venezuela	25.0	26.8
Iberbanda, S.A.	Spain	18.6	18.6
Network Access Solutions	USA	2.0	2.0
SBC International Puerto Rico, Inc.	Puerto Rico		50.0
Empresas Cablevisión, S.A. de C.V.	Mexico		49.0
ATL-Algar Telecom. Leste, S.A.	Brazil		41.0

(1) See Note 8 for a description of movements in subsidiaries and affiliates

(2) The name "Telecom Américas" as used herein refers collectively to the companies ATL, Americel, Telet and Tess.

(3) Includes Nicaragua operations

(4) The name "Comcel" as used herein refers to the companies Comcel and Ocel

América Móvil through its subsidiaries, has licenses to install, operate and manage mobile telecommunications services in Mexico, Guatemala, Nicaragua, Ecuador, Colombia, Argentina and Brazil. Such licenses will expire on various dates between the years 2008 and 2018.

Except as mentioned in the following paragraphs, the licenses granted to the company do not require to make royalty payments to the respective governments.

As payment for the 800-megahertz (Band B) licenses awarded in Mexico, the Mexican Federal government receives a percentage of Telcel's gross annual revenues ranging from 5% to 10% derived from the licenses awarded to Telcel in Mexico.

Under the terms of the concessions granted in Colombia, Comcel is required to make quarterly royalty payments to that country's Ministry of Communications based on a percentage of its total revenues.

The subsidiary Telgua provides fixed-line telephone service.

In December 2002, the Mexican Federal government awarded Telcel a license to install, operate and manage basic radiotelephone domestic and international long-distance and data transmission services in Mexico. The term of the license is for 15 years, which may be extended at the discretion of the government.

In February 2003, ATL, Americel, Telet y Tess reached an agreement with the National Telecommunications Agency in Brazil (Anatel) to migrate the wireless services each provides under license from a mobile cellular communications system (SMC) to a mobile access system (PCS), among others, the main difference consists that under the PCS system, there is certainty that the concession will be renewed for an additional 15 years, subject to payment of a percentage of revenues.

2. SIGNIFICANT ACCOUNTING POLICIES

The most important accounting policies and practices followed in the preparation of these financial statements are described below:

a) Consolidation

The consolidated financial statements include the accounts of América Móvil and those of the subsidiaries mentioned in Note 1. All of the companies operate in the telecommunications sector or provide services to companies operating in such sector.

All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Minority interest relates to the Company's foreign subsidiaries.

b) Revenue recognition

The Company's revenues includes: usage charges, monthly rent, incoming interconnection, long-distance charges, proceeds from sales of handsets and accessories and charges for other services.

Revenues are generally recognized at the time services are provided. Those services are either under prepaid plans (calling cards) or under contract (post-payment), in both cases, airtime sales revenues are recognized as a customer uses the airtime or when the card expires in the case of prepayments.

Except for Mexico and Colombia, monthly basic rent under non-prepaid plans is billed based on the rates approved by the regulatory authorities in the respective countries. For Mexico and Colombia, basic monthly rent is billed one month in advance and recognized as revenues in the month the service is provided.

Revenues from interconnections, which consist of calls of other carriers that enter the Company's own cellular network (incoming interconnections), are recognized at the time the service is provided. Such services are billed based on rates previously agreed with the other carriers, which are regulated by the respective authorities.

Sales of handsets and accessories, which are for the most part made to authorized distributors, are recorded as revenue upon shipment, provided that there are no outstanding Company obligations and that collection of the resulting receivable is deemed probable by management. The cost of telephone equipment delivered to customers under non-prepaid plans is charged to income at the time the respective agreements are signed.

Telgua's revenues from telephone line installation fees are deferred and recognized over the estimated useful life of subscribers.

TracFone Wireless, Inc. (TracFone) resells cellular airtime on a prepaid basis through retailers to customers who use telephones equipped with TracFone software. TracFone does not own a cellular infrastructure but purchases airtime from carriers throughout the United States. TracFone provides services within the continental United States.

c) Basis of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries and affiliates, located in Guatemala, Ecuador, Colombia, Argentina, Brazil and the United States, which in the aggregate account for approximately 29% and 22% of the Company's total operating revenues, and approximately 58% and 35% of the Company's total assets in 2002 and 2001, respectively, are translated into Mexican pesos in conformity with Mexican accounting Bulletin B-15, Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations, issued by the Mexican Institute of Public Accountants (MIPA), as follows:

The figures reported by the subsidiaries abroad were adjusted to conform to Mexican GAAP.

All balance sheet accounts, except for stockholders' equity accounts, were translated at the prevailing exchange rate at year-end; stockholders' equity accounts were translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated. The statement of operations accounts were translated at the weighted average exchange rate for the year.

At December 31, 2002 and 2001, the effects of translation aggregated Ps. 14,485,059 and Ps. 363,254, respectively, and are included in stockholders' equity under the caption "Other accumulated comprehensive income items".

The Company's financial statements at December 31, 2001 were restated to constant Mexican pesos with purchasing power at December 31, 2002 based on the annual rate of inflation in Mexico. The effects of inflation and variances in exchange rates were not material.

d) Recognition of the effects of inflation

The Company recognizes the effects of inflation on financial information as required by Mexican accounting Bulletin B-10, Accounting Recognition of the Effects of Inflation on Financial Information, issued by the Mexican Institute of Public Accountants. Consequently, the amounts shown in the accompanying financial statements and in these notes are expressed in thousands of constant Mexican pesos as of December 31, 2002. Accordingly, the financial statements have been restated as follows:

Plant, property and equipment and construction in progress were restated as described in Note 6. Depreciation is computed on the restated value of telephone plant and equipment using the straight-line method based on the estimated useful lives of the related assets, starting the month after the assets are put into use.

Inventories are presented at estimated replacement cost, not in excess of market values. Cost of sales represents estimated replacement cost at the time inventories were sold, restated in constant pesos at year-end.

Capital stock, retained earnings and other non-monetary assets were restated using adjustment factors obtained from the Mexican National Consumer Price Index (NCPI) published by the Banco de México.

Other accumulated comprehensive income items include the deficit from restatement of stockholders' equity, which consists of the accumulated monetary position gain determined at the time the provisions of Bulletin B-10 were first applied, which at December 31, 2002 aggregates Ps. 15,842, the result from holding non-monetary assets, which represents the net difference between restatement by the specific indexation method (see Note 6) and restatement based on the NCPI, deferred taxes allocated to equity, net of inflation and the effect of translation of foreign entities.

The net monetary position (gain) loss represents the effect of inflation on monetary assets and liabilities. The related amounts were included in the statements of operations under the caption Comprehensive financing cost.

Mexican accounting Bulletin B-12, Statement of Changes in Financial Position, specifies the appropriate presentation of the statement of changes in financial position based on financial statements restated in constant Mexican pesos in accordance with Bulletin B-10. Bulletin B-12 identifies the sources and applications of resources representing differences between beginning and ending financial statement balances in constant Mexican pesos. In accordance with this Bulletin, monetary and foreign exchange gains and losses are not treated as non-cash items in the determination of resources provided by operations.

e) Cash and short-term investments

Cash and short-term investments are represented principally by bank deposits and highly liquid investments with maturities of three months or less, stated at cost plus accrued interest, not in excess of market value.

f) Marketable securities

This caption includes government bonds which were classified as held to maturity and valued at acquisition cost; equity securities and corporate bonds held for trading purposes, which are valued at market.

g) Allowance for doubtful accounts

Doubtful accounts are provided for based on the operating conditions of each subsidiary. Accounts are provided for when they are between 90 and 120 days old.

h) Licenses

The licenses to operate wireless telecommunications networks are amortized using the straight-line method over the term of the license. The licenses to operate wireless mobile (PCS) in México, Guatemala, Ecuador, Colombia, Brazil and Argentina are being amortized in periods ranging from 15 to 20 years.

i) Trademarks

Trademarks are recorded at their market values, as determined by independent expert using the discounted cash-flow techniques. Trademarks relate principally to subsidiaries over which the Company acquired control in 2002 (Telecom Américas and Comcel trademarks) See Note 8.

j) Equity investments in affiliates

The investment in shares of affiliates in which the Company holds an equity interest of 10% or more is valued using the equity method. This accounting method consists basically of recognizing the investor's equity interest in the results of operations and the stockholders' equity of the investees at the time such results are determined. See Note 8.

k) Goodwill

Goodwill represents the excess of cost over the fair value of the net assets of acquired subsidiaries and affiliates and is amortized using the straight-line method over a ten year period.

l) Exchange differences

Transactions in foreign currencies are recorded at the prevailing exchange rate at the time of the related transactions. Foreign currency denominated assets and liabilities are translated at the prevailing exchange rate at the balance sheet date. Exchange rate differences are charged or credited directly to income of the year.

m) Employee benefits obligations

The cost of seniority premiums is recognized during the years of service of employees based on actuarial computations made by independent actuaries using the projected unit -credit method and financial hypotheses net of inflation, as required by Mexican accounting Bulletin D-3, issued by the Mexican Institute of Public Accountants (see Note 10). Termination payments are charged to income in the year in which the decision to dismiss an employee is made.

n) Income tax and employee profit sharing

The Company recognizes deferred taxes, on virtually all temporary differences in balance sheet accounts for financial and tax reporting purposes, using the enacted income tax rate at the time the financial statements are issued, in conformity Mexican accounting Bulletin D-4, Accounting for Income Tax, Asset Tax and Employee Profit Sharing, issued by the Mexican Institute of Public Accountants. Accordingly, the income tax provision includes both current year and deferred income tax (see Note 17).

o) Comprehensive income (loss)

In conformity with Bulletin B-4, Comprehensive Income, issued by the Mexican Institute of Public Accountants, comprehensive loss in América Móvil, consists of current year net income or loss shown in the statement of operations plus the current year result from holding non-monetary assets, the effects of translation of foreign entities, the minority interest and the effect of deferred taxes applied directly to stockholders' equity.

p) Earnings per share

The Company determined earnings per share by dividing current year majority net income by the average weighted number of shares issued and outstanding during the period, as specified in Mexican accounting Bulletin B-14, Earnings per share, issued by the Mexican Institute of Public Accountants. To determine the average weighted number of shares issued and outstanding in 2002 and 2001, the number of shares held by the Company have been excluded from the computation.

q) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the amounts reported in the financial statements and in the accompanying notes. Actual results could differ from these estimates.

r) Concentration of risk

The Company invests a portion of its surplus cash in deposits in financial institutions with strong credit ratings and has established guidelines relating to diversification and maturities to maintain safety and liquidity. The Company has not experienced any important losses in its marketable securities. América Móvil does not believe it has significant concentrations of credit risks in its accounts receivable, because the Company's customer base is geographically diverse, thus spreading the trade credit risk.

The Company operates internationally; consequently, it is exposed to market risks for fluctuations in exchange rates and other events.

Approximately 56% and 67% of the Company's aggregate interconnection expenditures in its cellular network for the years ended December 31, 2002 and 2001, respectively, represented services rendered from one supplier; approximately 80% and 75% of the aggregate cost of telephone equipment for such periods represented purchases from three suppliers; and approximately 75% and 90% of telephone plant purchases were made from two suppliers.

If any of these suppliers fails to provide the Company with services or equipment on a timely and cost effective basis, the Company's business and results of operations could be adversely affected.

s) Financial instruments

The Company follows the requirements of Bulletin C-2, Financial Instruments, issued by the Mexican Institute of Public Accountants, which established the rules to be observed by issuers of and investors in financial instruments when valuing, presenting and disclosing these instruments in their financial information. Bulletin C-2 requires that financial instruments (derivatives) be recognized as assets and liabilities and that the determined gains and losses on such instruments be credited and charged, respectively, to income, except for those instruments that are considered to be and that actually function as asset and liability hedges.

With the aim of reducing its financing costs, the Company uses derivatives such as cross currency swaps. Gains and losses under these contracts are credited or charged to income using the accrual method, net of the gains or losses on the hedged risks.

t) Recent pronouncements

In January 2002, the Mexican Institute of Public Accountants issued the new Bulletin C-8, Intangible Assets (C-8), which is effective for fiscal year beginning on or after January 1, 2003, and defines intangible assets as costs incurred and rights or privileges acquired that generate a future economic benefit. Bulletin C-8 defines R&D expenses and specifies that only development expense may be amortized into expenses of a future period.

Also, this Bulletin specifies that goodwill and intangible assets with indefinite useful lives, excluding those that have been recorded previously are not to be amortized, but instead evaluated annually for impairment. Goodwill and intangible assets with defined useful lives must be amortized over such useful lives.

The Company will adopt the requirements of Bulletin C-8 in 2003, and has concluded that its trademarks have a undefined useful life and, accordingly, they will be evaluated annually for impairment. Consequently, the effects of adopting this new accounting bulletin are not expected to have an important effect on the Company's financial position or on its results of operations.

In December 2001, the Mexican Institute of Public Accountants issued Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments, which is effective for fiscal years beginning on or after January 1, 2003, although earlier observance is recommended. Bulletin C-9 replaces the previous Bulletin C-9, Liabilities, and Bulletin C-12, Contingencies and Commitments, and, among other things, is more precise in defining provisions, accrued liabilities and contingent liabilities, and it contains new requirements with respect to the recording of provisions, the use of the present value and the early retirement of debt securities or their replacement by a new debt issue.

Although the effects of adopting this new accounting pronouncement have not been quantified, management does not believe they will have a material effect on the Company's financial position or on its results of operations.

u) Reclassifications

Some amounts shown in the 2001 financial statements as originally issued have been reclassified for uniformity of presentation with 2002.

3. MARKETABLE SECURITIES

A summary of marketable securities as of December 31, 2002 and 2001 is as follows:

	2002		2001	
	COST	FAIR VALUE	COST	FAIR VALUE
Corporate bonds			Ps. 2,989,861	Ps. 3,204,774
Notes			5,843,595	6,006,732
Government bonds	Ps. 1,167,839	Ps. 1,247,525	789,015	806,473
Equity securities	463,307	204,915	445,227	445,227
	Ps. 1,631,146	Ps. 1,452,440	Ps. 10,067,698	Ps. 10,463,206

During 2002, net unrealized losses on equity securities were Ps. 258,392.

In 2003, the Company changed the classification of its government bonds from held to maturity to available for sale and sold all of them. A net gain of Ps. 29.2 million was realized.

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2002		2001	
Subscribers	Ps. 2,995,495		Ps. 2,343,896	
Cellular operators for interconnections	391,486		337,148	
Retailers	2,502,712		1,616,769	
Creditable taxes	347,568		128,843	
Other	460,177		357,656	
	6,697,438		4,784,312	
Less: Allowance for doubtful accounts	(423,811)		(150,803)	
Total	Ps. 6,273,627		Ps. 4,633,509	

5. INVENTORIES

Inventories consist of the following:

	2002		2001	
Cellular telephones and accessories	Ps. 3,039,824		Ps. 3,630,753	
Less:				
Reserve for obsolete inventory	(32,040)		(28,263)	
Net	Ps. 3,007,784		Ps. 3,602,490	

6. PLANT, PROPERTY AND EQUIPMENT

a) Plant, property and equipment consist of the following:

	2002		2001
Telephone plant and equipment	Ps. 65,256,053	Ps.	34,845,919
Land and buildings	6,762,094		4,799,466
Other assets	11,558,170		7,076,407
	83,576,317		46,721,792
Accumulated depreciation	(27,816,895)	(	14,126,876)
Net	55,759,422		32,594,916
Construction in progress and advances to equipment suppliers	3,858,628		7,530,202
Inventories for use in construction of the telephone plant	970,581		2,131,444
Total	Ps. 60,588,631	Ps.	42,256,562

Included in plant, property and equipment are the following assets held under capital leases:

	2002		2001
Assets under capital leases	Ps. 43,361	Ps.	46,334
Accumulated depreciation	(42,352)	(	39,816)
	Ps. 1,009	Ps.	6,518

b) Depreciation expense for the years ended December 31, 2002 and 2001 was Ps. 6,180,189 and Ps. 3,771,521, respectively.

c) Through December 31, 1996, items comprising the telephone plant in Mexico were restated based on the acquisition date and cost, applying the factor derived from the specific indexes determined by the Company and validated by an independent appraiser registered with the National Banking and Securities Commission (NBSC).

Effective January 1, 1997, Bulletin B-10 eliminated the use of appraisals to present telephone plant, property and equipment in the financial statements. At December 31, 2002 and 2001 this caption was restated as follows:

The December 31, 1996 appraisal value of the imported telephone plant, as well as the cost of subsequent additions to such plant, were restated based on the rate of inflation in the respective country of origin and the prevailing exchange rate at the balance sheet date (specific indexation factors).

The appraised value of land, buildings and other fixed assets of domestic origin at December 31, 1996, and the cost of subsequent additions to such assets were restated based on the NCPI.

At December 31, 2002, approximately 74% of the value of the telephone plant, property and equipment (88% in 2001) has been restated using specific indexation factors.

d) Following are the plant, property and equipment amounts at December 31, 2002 and 2001, restated on the basis of the 2002 NCPI (starting with the appraised values at December 31, 1996), to meet NBSC disclosure requirements with respect to the restatement of fixed assets based on specific indexation factors:

	2002		2001
Telephone plant and equipment	Ps. 67,037,473	Ps.	37,513,216
Land and buildings	6,022,435		5,187,901
Other assets	11,585,348		7,373,383
	84,645,256		50,074,500
Accumulated depreciation	(27,784,330)	(	14,417,181)
Net	55,860,926		35,657,319
Construction in progress and advances to equipment suppliers	3,858,628		7,530,202
Inventories for use in construction of the telephone plant	970,581		2,131,444
Total	Ps. 61,690,135	Ps.	45,318,965

7. LICENSES

As of December 31, 2002 and 2001 licenses are as follows:

	2002		2001
Investment	Ps. 19,209,187	Ps.	3,768,824
Accumulated amortization	(3,835,053)	(	1,153,434)
Total	Ps. 15,374,134	Ps.	2,615,390

The increase in licenses, is due to the valuation of licenses obtained as a result of corporate acquisitions during 2002 (See Note 8).

Amortization expense for the years ended December 31, 2002 and 2001 was Ps. 484,296, and Ps. 294,429, respectively.

8. INVESTMENTS

An analysis at December 31, 2002 and 2001 is as follows:

	2002		2001
Investments in:			
Affiliates	Ps. 2,799,484	Ps.	24,183,676
Other investments	365,675		584,858
Total	Ps. 3,165,159	Ps.	24,768,534

I. Investments in affiliates

An analysis of equity investments in affiliated companies at December 31, 2002 and 2001, and a brief description of major acquisitions is as follows:

	2002		2001
CompUSA, Inc.	Ps. 2,341,627	Ps.	4,138,041
Organización Recuperadora de Cartera S.A. de C.V.	457,857		450,660
Telecom Américas Ltd. (1)			13,703,102
ATL-Algar Telecom Leste, S.A. (1)			2,997,879
SBC International Puerto Rico, Inc.			2,190,979
Empresas Cablevisión, S.A. de C.V.			703,015
Total	Ps. 2,799,484	Ps.	24,183,676

(1) See equity investments in subsidiaries.

SBC International Puerto Rico

In January 2002, the Company sold its 50% equity interest in SBC International Puerto Rico, Inc. (SBCI Puerto Rico) to SBCI for US\$ 106 million in cash and an option for US\$ 173 million expiring in three years to acquirer from SBCI its interest in Telecom Américas.

In June 2002, the Company exercised the option and in July 2002 it acquired 11.9% of the shares of Telecom Américas owned by SBCI at that date. This acquisition required no payment by the Company. A gain of Ps. 218,359 was recognized as a result of this transaction which is included under the caption other income net in the statement of operations.

Empresas Cablevisión

In April 2002, the Company sold its 49% equity interest in Empresas Cablevisión, S.A. de C.V. and subsidiaries in a public offering through the Mexican Stock Exchange for Ps. 1,987,087, realizing a gain of Ps. 1,283,130 on the sale, which is included under the caption other income net in the statement of operations.

At December 31, 2002 and 2001, the Company charged Ps. 39,236 and Ps. 2,051,169, respectively, to results of operations for the impairment in the value of non-strategic affiliates Eurotec, S.A. in 2002 and ARBROS Communications, Inc, Iberbanda, Network Access and Armillaire in 2001.

The Company's equity in the net loss of CompUSA at December 31, 2002 includes an impairment of its goodwill as reported in its financial statements of Ps. 2,055,608, which is included in the caption "Equity in net results of affiliates".

Also, the equity in the 2001 net loss of Telecom Américas includes an impairment to the value of this company's subsidiaries in the amount of Ps. 1,234,885, which is presented under the caption equity in net results of affiliates.

II. Investments in subsidiaries

An analysis of the most important equity investments in subsidiaries is as follows:

As explained in detail in subsequent paragraphs, during 2002, the Company made several acquisitions. The results of operations of the acquired entities were incorporated into the Company's financial statements in the month following the acquisition date through December 31, 2002.

All of the Company acquisitions were recorded using the purchase method. The purchase prices of net acquired assets were allocated based on their estimated market values, as follows:

	NOMINAL AMOUNTS AT THE ACQUISITION DATE		
	TELECOM AMÉRICAS	COMCEL	TOTAL
Current assets	Ps. 2,435,731	Ps. 1,768,050	Ps. 4,203,781
Fixed assets	7,799,518	2,425,596	10,225,114
Licenses	11,503,294	2,463,257	13,966,551
Other assets	3,640,325	378,190	4,018,515
Goodwill	15,902,141	2,347,431	18,249,572
Less:			
Current liabilities	8,034,752	2,826,944	10,861,696
Long-term debt	4,891,172	7,000,347	11,891,519
Net assets (liabilities)	Ps. 28,355,085	Ps. (444,767)	Ps. 27,910,318
% participation acquired	51%	93.42%	
Net acquired assets (liabilities)	Ps. 14,461,093	Ps. —	Ps. 14,461,093
Amount paid	5,190,734	4,904,010	10,094,744
Goodwill negative (positive) generated	Ps. 9,270,359	Ps. (4,904,010)	Ps. 4,366,349

Through appraisals made by independent experts, the Company determined the fair value of its plant and equipment and the value of trademarks acquired. Consequently, goodwill in both Telecom Americas and Comcel and the negative and (positive) goodwill shown in the preceding table were applied as follows:

	NOMINAL AMOUNTS AT THE ACQUISITION DATE	
	TELECOM AMÉRICAS	COMCEL
Goodwill at the beginning	Ps. 15,902,141	Ps. 2,347,431
Goodwill (negative) positive generated for the acquisitions	(9,270,359)	4,904,010
Amount applied to trademarks	(4,558,125)	(1,788,488)
Amount applied to plant and equipment	(2,073,657)	(2,477,090)
Remaining goodwill	Ps. —	Ps. 2,985,863

a) Telecom Américas

a) Incorporation and additional capital contributions

In November 2000, the Company entered into an agreement with Bell Canada International Inc. (BCI) and SBC International, Inc. (SBCI) to form Telecom Américas, Ltd., a joint venture company that will serve the three parties as the major vehicle for expansion in Latin America. Under this agreement each party was committed to make the following contributions to the joint venture.

América Móvil contributed to Telecom Américas approximately US\$ 164.9 million in cash and US\$ 1,007.5 million in notes. In addition, the Company contributed (i) its equity interest in ATL-Algar Telecom Leste S.A. ("ATL") (a Brazilian Band B wireless operator), and (ii) in August 2001, its equity interest in Techtel-LMDS Comunicaciones Interactivas, S.A. and Telstar, S.A., broadband wireless operators in Argentina.

BCI contributed notes for approximately US\$ 964 million to Telecom Américas. In addition, BCI contributed its equity interest in (i) the Brazilian cellular phone operators Americel, S.A. and Telet, S.A.; (ii) Canbrás Communications Corp., S.A., a Brazilian supplier of cable television and internet access services, (iii) Colombian cellular phone operators Comunicación Celular, S.A. (Comcel) and Occidente y Caribe Celular, S.A. (Ocel); and (iv) Génesis Telecom, C.A. a broadband cellular operator in Venezuela.

SBCI contributed its equity interest in ATL.

As mentioned previously, as part of the formation of Telecom Américas, BCI and América Móvil contributed notes for US\$ 964 million and US\$ 1,007.5 million, respectively, subject to cancellation. On July 13, 2001, BCI and América Móvil cancelled notes for a total of US\$ 275 million and US\$ 141 million, respectively.

In addition, during the first half of 2001 América Móvil, BCI and SBCI contributed US\$ 107 million, US\$ 97 million and US\$ 30 million, respectively, to cover obligations of its affiliates through Telecom Américas.

As a result of these transactions, BCI's equity interest in Telecom Américas was reduced to 41.7% (from 44.27%); América Móvil's equity interest was increased to 45.5% (from 44.27%) and SBCI's equity interest was increased to 12.8% (from 11.46%).

b) Restructuring and additional capitalizations

In February 2002, Telecom Américas was restructured to maintain exclusively investments in cellular companies in Brazil. According to the agreement, América Móvil transferred to Telecom Américas its 41% equity interest in the Brazilian ATL plus US\$ 80 million in cash; Telecom Américas transferred its 77.1% and 60% equity interest in Comcel and Techtel respectively to América Móvil; its 76% equity interest in Canbras to BCI; and its 59% equity interest in Genesis equally to América Móvil and BCI. BCI, SBCI and AM's equity interest in TA did not change as a result of the restructuring.

In April 2002, Telecom Américas issued to a financial investor 1,844 convertible preferred shares with no voting rights, which at that date represented 6.9% of the capital stock of Telecom Américas. The preferred shares may be converted to common shares at any time at option of the holder. Preferred shares have no voting rights, or right to representation in the board of directors meetings. As of 2006, holders will have the right to sell half the preferred shares back to the Company at a price based on the preferred settlement plus interest at a nominal rate and, likewise, as of 2006, the Company will have the right to purchase half of the share at the same price.

c) Purchase of the equity investments of BCI and SBCI

As previously mentioned, in January 2002, SBCI provided the Company the option to acquire SBCI's equity investment in Telecom Américas. América Móvil exercised this option in June 2002 and acquired a 11.9% equity interest in Telecom Américas.

In May 2002, América Móvil acquired BCI's 39.1% equity interest in Telecom Américas at that date. The purchase price was approximately US\$ 370 million, which consisted of US \$150 million in cash and a non-bearing interest promissory note in the amount of US \$220 million payable in March 2003.

The early payment of its obligations to BCI enabled the Company to obtain a discount of U.S. \$8 million.

As a result of the previously mentioned transactions and new capitalizations, at December 31, 2002, América Móvil has a 96.5% equity interest in Telecom Américas.

The wireless property of Telecom Américas in Brazil includes the Band B cellular operations of de ATL, Tess, Telet and Americel. ATL operates in the states of Río de Janeiro and Espírito Santo; Tess operates in the State of Sao Paulo (both in the outlying areas and in metropolitan Sao Paulo); Telet operates in the State of Rio Grande do Sul; and Americel operates in seven states in the midwestern and northern regions of Brazil.

In November 2002, Telecom Américas incorporated three new companies in Brazil –Alecan Telecomunicaciones, Ltda., Albra Telecomunicaciones, Ltda. and Stemar Telecomunicaciones, Ltda – to operate and manage the new D and E band licenses awarded by the Brazilian government.

b) Comcel

Comunicación Celular S.A. (Comcel) and Occidente y Caribe S.A. (Ocel) provide wireless telecommunications service in Colombia's eastern and western regions, respectively. América Móvil acquired its investment in Comcel and Ocel in 2002 as a result of the restructuring of Telecom Américas and increased its interest to the present levels through a series of capitalized investments made in 2002. The Company currently holds a 95.7% equity interest in Comcel and a 95.9% equity investment in Ocel. Ocel operates under the trade name "Comcel".

c) Techtel–LMDS Comunicaciones Interactivas

América Móvil holds a 60% equity interest in Telcel Wireless Argentina, LLC (Telcel Argentina), which, in turn, controls Techtel, a company that provides video and data transfer, as well as added value telecommunications services. América Móvil acquired its equity interest in Techtel in 2002 as a result of the restructuring of Telecom Américas.

During 2002, América Móvil invested approximately US\$ 154 million to acquire minority interests in Conecel, Comcel, and ACT. As a result, the Company increased its equity interest in these subsidiaries by approximately 19.3%, 11.6% and 2.0%, respectively.

Other minor acquisitions made by the Company in 2002 and 2001 aggregated Ps. 340,000 and Ps. 87,610, respectively.

The following consolidated pro forma financial data for the years ended December 31, 2002 and 2001 have not been audited and are based on the Company's historical financial statements, adjusted to give effect to (i) the series of acquisitions mentioned in the preceding paragraphs; and (ii) certain accounting adjustments related to the amortization of goodwill and licenses, a reduction in interest income derived from the decrease in cash as a result of the previously-mentioned purchases and adjustments to depreciation of the net fixed assets of the acquired companies.

The pro forma adjustments assume that the purchases were made at the beginning of 2001 and are based on information available at the time and other assumptions management considers reasonable. The pro forma financial information is not intended to indicate what the effect on the Company would have been had the transactions in question actually occurred, nor are they intended to predict the Company's results of operations.

	2002		2001
Operating income:	Ps. 61,694,350	Ps.	48,670,726
Net income (loss)	4,223,816	(	5,996,350)
Earnings (loss) per share (in Mexican pesos)	0.327	(	0.451)

III. Goodwill

An analysis of goodwill at December 31, 2002 and 2001 is as follows:

	2002		2001
Goodwill:			
Subsidiaries	Ps. 8,889,162	Ps.	5,174,142
Affiliates			486,687
	8,889,162		5,660,829
Accumulated amortization	(2,864,466)	(	1,160,915)
	Ps. 6,024,696	Ps.	4,499,914

Amortization expense for the years ended December 31, 2002 and 2001 was Ps.1,613,156 and Ps. 666,423, respectively.

9. FINANCIAL INSTRUMENTS

As part of its exchange hedging strategy, the Company uses derivative instruments to minimize the potential impact of exchange differences. During 2002, the Company acquired short-term exchange hedges in the amount of USD 175 million; the Company recognized a charge on these hedges in current year results of operations in the amount of Ps. 156,600 recorded under exchange loss, net.

With the aim of reducing its financing costs, the Company has contracted cross currency swaps whereby, during the terms of the agreements or on previously established dates, cash flows are exchanged between the parties in the amount obtained by applying the agreed rates to the specified base amount. Swaps are recorded in results of operations at their market value. At December 31, 2002, the Company had cross currency swaps for a base amount of USD 208.8 million. The Company had no instruments of this type at December 31, 2001.

10. EMPLOYEE BENEFITS OBLIGATIONS

In 1994, Telcel set up an irrevocable trust fund to cover the payment of the obligations for seniority premiums. It adopted the policy of making contributions to the fund as they were deemed necessary. No contributions were made to the fund in 2002 and 2001.

The transition asset, past services and variances in assumptions are amortized over a thirteen-year period, which is the estimated average remaining working lifetime of Telcel's employees.

In 2002 and 2001, seniority premium expense totaled Ps.1,769 and Ps.1,308, respectively.

An analysis of the net period cost for 2002 and 2001 is as follows:

	2002		2001
Service cost	Ps. 1,699	Ps.	1,325
Financial cost of projected benefit obligations	327		215
Expected return on plan assets	(236)	(	205)
Amortization of past service costs	(21)	(	27)
Net period cost	Ps. 1,769	Ps.	1,308

An analysis of the seniority premium reserve at December 31, 2002 and 2001 is as follows:

	2002		2001
Projected benefit obligation	Ps. 6,477	Ps.	4,872
Plan assets	(2,648)	(	2,670)
Transition asset	53		61
Actuarial gain	1,014		879
Net projected liability	Ps. 4,896	Ps.	3,192
Current net liability	Ps. 3,829	Ps.	2,252
Current benefit obligation	Ps. 6,477	Ps.	4,872

The current net liability was included in the balance sheet under the caption Other accounts payable and accrued liabilities.

The net of inflation rates used to determine the actuarial present value of benefit obligations at December 31, 2002 and 2001 are presented below:

	2002	2001
Discount rate	6.8%	7.8%
Rate of compensation increase	1.9%	1.9%
Expected return on plan assets	6.8%	6.8%

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2002	2001
Suppliers	Ps. 7,104,892	Ps. 8,706,772
Guarantee deposits	329,168	419,971
Accrued expenses	2,583,287	727,812
Interest payable	894,456	224,376
Others	29,552	15,445
Total	Ps. 10,941,355	Ps. 10,094,376

12. DEBT

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

CURRENCY	ITEMS	2002			2001		
		RATE	MATURITY FROM 2003 TO	TOTAL 2002	RATE	MATURITY FROM 2002 TO	TOTAL 2001
Dollars							
	Credits with exim Banks	L+.20 to L+1.65	2009	\$ 8,452,503	L+.20 to L+1.65	2008	\$ 7,290,227
	Syndicated loans	L+.75 to L+1.35	2007	10,312,500	L+.625 to L+1.00	2005	4,831,705
	Fix rate securities (1)	3.62%	2004	3,748,635			
	Lines of Credits	L-.34 to L+1.50	2006	7,378,588	L+.625 to L+1.50	2006	4,192,551
	Suppliers	3.1675% to 10%	2004	619,049	4.98% to 7.81%	2003	570,652
	Others	UMBNDDES 4.5% to UMBNDDES 5.0%	2008	752,810			
	Subtotal Dollars			31,264,085			16,885,135
Mexican Pesos							
	Domestic senior notes ("Certificados Bursátiles")	(4)	2009	10,001,352	(5)	2006	5,285,000
	Lines of Credite	TII E28 +.70	2004	800,000	8.02%	2003	528,500
	Subtotal Mexican Pesos			10,801,352			5,813,500
Reais							
	Syndicated loans	TJLP + 2.80% to TJLP +5.00%	2007	2,186,250			
	Fix rent securities	CDI + 1.20	NA	890,196			
	Purchase of Licenses	12% + Inflation	2010	887,463			
	Subtotal Reais			3,963,909			
Others Currencies (2)							
	Lines of Credit	9%	2003	171,717			
	Financial Leasing	13%	2004	1,152	8.75%	2003	2,226
	Subtotal Other currencies			172,869			2,226
	Total Debt			46,202,215			22,700,861
	Less: short-term debt and current portion of long-term debt			10,230,843			6,663,349
	Long term debt			\$ 35,971,372			\$ 16,037,512

1) Includes BCI's note for Ps. 1,753,125,000 does not bear interest and was paid in March 2003.

2) Other currencies includes Quetzales.

3) The syndicated loan for US \$ 400 million is guaranteed by Telcel, América Móvil and Telgua.

4) 10.40% a 11.33%; TII E28 + .35; Cetes91 + 1.05 a Cetes91 + 1.08; Cetes182 + 1.00 a Cetes182 + 1.20

5) 11.33%; TII E28 + .35; Cetes182 + 1.20

The interest rates shown above do not include the effect of reimbursement of withholding taxes. The average weighted cost of the debt at December 31, 2002 (including interest, commissions and reimbursement of withholding tax to creditors) was approximately 7.98% (7.74% at December 31, 2001).

The short-term debt at December 31, 2002 in the aggregate amount of Ps. 7,109,454 consists of Domestic Senior Notes in the amount of Ps. 1,750,000, fixed rent securities of Ps. 2,643,221, syndicated and other loans of Ps. 2,716,233, at a weighted average interest rate of 6.7% (Ps. 4,280,411 in 2001, consisting of lines of credit of Ps. 2,461,183, syndicated loans of Ps. 966,341 and other loans of Ps. 852,886, at a weighted average interest rate of 4.21%).

Maturities of long-term debt at December 31, 2002 are as follows:

YEARS	AMOUNT
2004	Ps. 8,425,312
2005	12,405,937
2006	7,837,500
2007	4,650,937
2008 and thereafter	2,651,686
Total	Ps. 35,971,372

Lines of credit guaranteed by Export Credits Agencies

During 2001 and 2002, the Company opened lines of credit up to US\$ 1,080 million guaranteed by Export Credit Agencies to purchase telecommunications equipment. Drawings on these lines of credit are repayable semiannually and bear interest at the LIBOR rate plus 0.20% or LIBOR plus 1.25% and have maturities between 2005 and 2009.

Syndicated loans

During 2001 and 2002, the Company entered into syndicated loan agreements for US\$500, US\$ 200 and US\$ 400 million.

With respect to the first loan of US\$ 500 million, US\$ 100 million was repaid in 2002 and the remaining US\$ 400 million is due in January 2005, bearing interest at the LIBOR rate plus 1.0%,

The second loan for US\$ 200 million is due in May 2005, bearing interest at the LIBOR rate plus 1.0%.

The last loan for US\$ 400 million has been structured into three tranches (credits A, B and C for US\$121, US\$137 and US\$142 million, respectively) with maturities in 2003, 2005 and 2007, bearing interest at the LIBOR rate plus 0.75%, LIBOR rate plus 1.10% and LIBOR rate plus 1.35%, respectively.

BNDES

At December 31, 2002, ATL, Tess and Americel have outstanding syndicated loans provided with resources of the Brazilian Development bank Banco Nacional de Desenvolvimento Econômico e Social ("BNDES"). These loans are principally denominated in reais, with a portion indexed to US dollars. The principal amount of the loan is approximately R\$750 million plus the equivalent in reais of approximately US\$ 73 million in foreign currencies. Maturity dates of credits in reais are from 2006 to 2008 and bear interest at a floating rate established by the Brazilian Central Bank (TJLP) plus a spread from 2.80% to 5.0%.

Purchase of licenses

As previously mentioned (see Note 8), in November de 2002 the Company purchased from the Brazilian government licenses to operate and manage wireless communications services in the "D" and "E" bands. The equivalent price for such licenses was US\$ 116.7 million, of which the Company has paid the equivalent of US\$ 40.9 million. The outstanding balance will be paid in six equal annual installments. The first payment will be made in November 2005, restated based on the Brazilian general price index and bears interest at the annual rate of 12%.

Domestic Senior Notes ("Certificados Bursátiles")

In August 2001 and January 2002, the National Securities Commission authorized the Company to establish two programs for the issuance of domestic senior notes guaranteed by Telcel for Ps. 5,000 million each.

During 2001, the Company made three issues of the first program of Ps. 1,500, Ps. 1,750 and Ps. 1,750 million, with maturities in 2006, 2003 and 2006 respectively, bearing interest at the annual rate of 11.33%, "TIIE" rate at 28 days and CETES at 182 days plus 1.20%, respectively.

During 2002, the Company made seven issues of the second program for amounts ranging from Ps. 400 to Ps. 1,250 million, with maturities ranging from 3 to 7 years. Three issuances bear a fixed annual interest rate ranging from 10.40% to 10.45% and the remaining four issuances bear a floating interest rate established as a percentage of the CETES rate.

The above-mentioned loans are subject to certain restrictive covenants with respect to maintaining certain financial ratios, taking on additional debt and selling off certain Group assets, among others. At December 31, 2002, the Company has met all of these requirements.

At December 31, 2002, 84% of total outstanding consolidated debt is guaranteed by Telcel.

13. FOREIGN CURRENCY POSITION AND TRANSACTIONS

a) At December 31, 2002 and 2001, América Móvil had the following foreign-currency denominated assets and liabilities:

	FOREIGN CURRENCY	
	2002	2001
Assets		
US dollar	379,641	1,753,925
Quetzal	431,953	1,007,472
Reais	1,941,403	
Colombian peso	240,504,850	
Liabilities		
US dollar	(3,709,686)	(2,422,604)
Quetzal	(1,107,026)	(1,067,537)
Reais	(1,540,374)	
Colombian peso	(288,604,674)	

The exchange rates used to translate the above-mentioned amounts into Mexican pesos were Ps. 10.31 and Ps. 9.14 per US dollar at December 31, 2002 and 2001, respectively, and Ps. 1.34 and Ps. 1.15 per quetzal; Ps. 2.91 and Ps. 3.94 per real and Ps. 0.0035 and Ps. 0.0041 per Colombian peso, respectively. At February 25, 2003 the exchange rate of the Mexican peso relative to the US dollar, quetzal, real and Colombian peso were Ps. 11.05 per US dollar, Ps. 1.40 per quetzal, Ps. 3.06 per real and Ps. 0.004 per Colombian peso.

b) In the years ended December 31, 2002 and 2001, the Company had the following transactions denominated in foreign currencies. Currencies other than the US dollar (reais, quetzals and Colombian pesos) were translated to US dollars using the average exchange rate for the year.

	US DOLLARS (THOUSANDS)	
	2002	2001
Net settlement revenues	1,711,259	1,048,464
Interest income	108,469	62,867
Interest expense	147,529	90,514
Operating costs and expenses	2,423,335	1,655,682
Other (expense) products, net	(110,778)	95,808

14. COMMITMENTS AND CONTINGENCIES

a) The Company leases certain equipment used in its operations under capital leases. At December 31, 2002, the Company had the following commitments under non-cancelable leases:

YEAR ENDED DECEMBER 31,	AMOUNT
2003	Ps. 1,161
2004	22
2005	
Total	1,183
Less interest	(31)
Present value of minimum rental payments	1,152
Less current installments	1,130
Long-term obligations at December 31, 2002	Ps. 22

b) As of December 31, 2002, the Company has entered into various leases (as a lessee) with related parties for the buildings in which its offices are located, as well as with owners of property where the Company has installed radio bases. The leases expire within one to five years. Rent charged to expenses in 2002 and 2001 aggregated, Ps. 331,518 and Ps. 238,111, respectively. Following is an analysis of minimum rental payments due in the next five years. In some cases, the amount will be increased either based on the NCPI or on the appraisal values of the property.

YEAR ENDED DECEMBER 31,	AMOUNT
2003	Ps. 275,755
2004	260,067
2005	260,035
2006	260,035
2007 and thereafter	260,035
	Ps. 1,315,927

c) Under Mexican legislation, Telmex remains jointly and severally liable for obligations transferred to América Móvil pursuant to the spin-off for a period of three years beginning September 25, 2000, the spin-off date. Such liability, however, does not extend to any obligation with a creditor that has given its express consent relieving Telmex of such liability and approving the spin-off.

In conformity with clause eleven of the post spin-off master agreement between Telmex and América Móvil, Telmex is obligated to indemnify and hold America Movil harmless from any and all claims resulting from any liability or direct or contingent contingency which was to be paid by Telmex as a result of Telmex's spin-off; and America Movil is obligated to indemnify and hold Telmex harmless from any liability or direct or contingent contingency which was expressly transmitted to be paid by America Movil as a result of Telmex's spin-off.

d) In November 1995, a competitor of Telcel that provides cellular telephone services reported Telmex and Telcel to COFECO, the Mexican Federal Competition Commission, for alleged monopolistic practices. In July 2001, COFECO ruled that Telmex was responsible for the alleged monopolistic practices. The ruling did not find Telcel responsible for such practices.

e) Certain administrative proceedings were commenced in January, June and July 2001 by COFECO against Telcel for alleged monopolistic practices related to the wireless telecommunications industry. In May 2002, COFECO ruled against Telcel in connection with the proceeding begun in January. Telcel appealed this ruling in June 2002. In September 2002, COFECO ruled against such appeal. Telcel filed a lawsuit against such ruling in January 2003, resolution of which is still pending.

With respect to the administrative proceeding commenced in June, COFECO ruled against Telcel in January 2003. Telcel will appeal such ruling shortly.

Finally, with respect to the administrative proceeding commenced in July, COFECO will issue its ruling shortly.

If Telcel is unsuccessful in challenging these proceedings, they may result in fines or specific regulations applicable to Telcel.

CompUSA

f) In 2000, COC Service Limited filed a lawsuit against CompUSA and other defendants, including James Halpin, the Company's former CEO. The suit alleges, among other things, breach of contract, tortious interference and conspiracy. The jury trial for the case commenced on January 16, 2001 and concluded on February 8, 2001, with the jury ruling against CompUSA and requiring payment of actual damages of US \$ 90 million and exemplary damages of US \$ 94.5 million. The verdict also awarded actual and punitive damages of US \$ 90 million and US \$ 175 million against Mr. Halpin. Actual and punitive damages were also awarded against the other defendants.

In March 2001, CompUSA appealed this judgment and in May 2001, the court issued a ruling in favor of CompUSA indicating that COC was not entitled to payment of any damages by either CompUSA or Mr. Halpin, having granted the motion for judgment notwithstanding the verdict.

The court ruled against the other defendants. COC has appealed the court ruling in favor of CompUSA and Mr. Halpin. The other defendants have appealed the judgment against them. CompUSA and its legal counsel believe that CompUSA has significant grounds for a successful defense of COC's appeal.

At December 2002, no amount has been accrued for this matter as it is not possible to estimate the possible loss or range of loss that might be incurred.

If CompUSA or Mr. Halpin are not successful in defense of their position on appeal, the financial position and results of operations of CompUSA could be materially and adversely affected.

Telgua

g) In June 2000, the executive branch of the Guatemalan government issued statements concerning Empresa Guatemalteca de Telecomunicaciones ("Guatel"), the Guatemalan state agency that conducted the privatization of Telgua. The statements indicated that certain actions of Guatel during the privatization of Telgua were contrary to the interests of the Guatemalan State.

In September 2000 the Guatemalan government commenced judicial proceedings against Guatel, Telgua, and certain other parties involved in the privatization of Telgua, challenging the validity of such privatization under Guatemalan law and seeking reversal of such privatization.

In October 2001, the Guatemalan State announced a governmental accord issued by the President of Guatemala and the Cabinet Ministers establishing the principal terms and conditions of a settlement agreement among the Guatemalan State, Telgua Guatel and American Central Tel, S.A. ("ACT," formerly Luca, S.A.), and ordering the Attorney General of Guatemala to enter into such agreement in the name and on behalf of the Guatemalan State.

Under the terms of this settlement agreement, which was executed on October 31, 2001, Telgua agreed, among other things: (i) to undertake a fixed, mobile, rural and internet telephone development project within Guatemala, to be completed within a period of three years, to consist of an investment of at least 1,950 million quetzales (approximately US \$ 246 million), and (ii) to establish a total of 380,000 public, mobile and

rural telephone and internet lines. In addition, as part of the settlement agreement, ACT agreed to pay Guatel the sum of US \$ 350 million, which was the balance owed under the agreement for the sale of Telgua shares between Guatel, as the seller, and ACT as the buyer, in October 1998, plus accrued interest through the date of actual payment.

On October 31, 2001, (i) ACT paid Guatel a total of US\$ 452 million, corresponding to the balance owed under the agreement for the sale of Telgua shares, plus accrued interest as of such date, and (ii) Guatel instructed Citibank N.A. to release the collateral consisting of 95% of the capital stock of Telgua, which was pledged in 1998 as guarantee of payment of the sales price for the shares of Telgua.

Pursuant to the settlement agreement, the Guatemalan State, ACT and Telgua have agreed to abandon all pending litigation and related actions with respect to this matter. At the date hereof, for reasons attributable to the status of the related legal actions and proceedings, the abandonment of proceedings had not been undertaken in the competent Guatemala courts.

During 2002, a group of persons presented to the Guatemalan courts certain claims to challenge the validity of the October 31, 2001 settlement agreement. The abandonment of pending litigations and other related actions will not be undertaken in the competent Guatemala courts until these claims are resolved by the competent courts.

ITI-GEDO

Judicial proceedings were commenced in the United States District Court for the Southern District of New York in March 2001 by International Telecom, Inc ("ITI") against Generadora Eléctrica de Oriente, S.A. ("GEDO"), Antonio Jorge Alvarez and Telgua, alleging breach of contract, tortious interference with contract and fraud in connection with an international telecommunications service agreement. On March 26, 2002, the court granted Telgua's motion to dismiss the case against it for lack of jurisdiction, finding that Telgua has insufficient contacts with New York to subject it to jurisdiction in that forum. On May 28, 2002, the court denied ITI's motion for reargument of the case. ITI or GEDO may appeal the decision to the United States Second Circuit Court of Appeals once a final judgment is rendered following trial of the remaining issues in the case. The court has not yet scheduled a trial date.

Comcel

Value Added Tax

h) The Colombian tax authorities have required Comcel to amend its income tax returns in connection with sales reported during 1994 and 1995, contending that Comcel has not declared the value-added taxes on cellular activation fees. The amount claimed by the tax authorities as of December 31, 2002, including fines and interest, amounted to approximately Ps. 19 billion Colombian pesos. In the opinion of Comcel, all the income has been appropriately declared and the Company has paid the value-added tax for all the periods in question; therefore, Comcel has made no provisions for this contingency.

Voice/IP

On March 13, 2000, the Colombian Superintendencia de Industria y Comercio (SIC) issued Resolution No. 4954, requiring Comcel to pay a fine of Ps. 234 million Colombian pesos. In addition to this administrative fine, the SIC ordered Comcel to pay damages to other long distance operators. Comcel requested an administrative review of the decision, which was denied in June 2000. Comcel's appeal was rejected in November 2000. Comcel resubmitted the appeal in February 2001, and it remains pending in the Colombian courts. The long distance operators estimated their damages to be US \$70 million, an assertion currently being evaluated by the SIC. A final decision is expected in March 2003.

Nokia Guaranty

On December 31, 2002, the Company granted a payment guarantee to Nokia OYJ with respect to payment of obligations assumed by Comcel under the Agreement to Provide Equipment and Render Related Services for a Cellular Telephone Network using GSM/GPRS/EDGE Technology executed by and between Comcel and Nokia OYJ. The total amount guaranteed is of approximately US\$80 million.

Conecel

Nokia Guaranty

i) On December 31, 2002, the Company granted a payment guarantee to Nokia OYJ with respect to payment obligations assumed by Conecel under the Agreement to Provide Equipment and Render Related Services for a Cellular Telephone Network using GSM/GPRS/EDGE Technology Agreement executed among Conecel and Nokia OYJ. The total amount guaranteed is of approximately US\$45 million.

Minority Put Option

Pursuant to the Put Option Agreement dated as of March 8, 2000, minority stockholders are entitled to require the Company to acquire their interest in Wireless Ecuador, LLC subject to certain conditions. As of December 2002, such minority stockholders are still entitled to require the Company to acquire (i) during the first quarter of 2004, up to 75% of their interest in Wireless Ecuador, LLC at the put option exercise date; and (ii) during the first quarter of 2006, up to 95% of their interest in Wireless Ecuador, LLC at the put exercise date.

The exercise price shall be the price per capital unit ("Unit") valid at the time the option is exercised, multiplied by the number of Units that Cempresa sells to the Company. If there are no events that modify the price per unit, such price shall be US\$363.00, which is the result of multiplying US\$1.21 (price per share of Conecel) by the result of dividing 300,000,000 (the number of shares owned by Wireless Ecuador of Conecel) by 1,000,000 (the number of Units of Wireless Ecuador). The following are considered events that modify the price per Unit: (i) The merger or consolidation of Wireless Ecuador or Conecel; (ii) the spin-off or split-up of Wireless Ecuador or Conecel; and (iii) the capitalization or change in the type of Units or shares of Wireless Ecuador or Conecel which modifies the number or value of such shares.

ATL-Algar Telecom Leste

j) In the final quarter of 2001, the Company replaced Williams Communications, Inc. as Guarantor of one third of a loan granted by Banco Nacional de Desenvolvimento Econômico y Social of Brazil "BNDES" to ATL.

Tess and ATL-Algar Telecom Leste

k) There is a dispute between the Brazilian Agência Nacional de Telecomunicações-ANATEL ("ANATEL") and the affiliates Tess S.A. ("Tess") and ATL-Algar Telecom Leste S.A. ("ATL") with respect to the calculation of inflation-related adjustments due under such companies' concession agreements. Payment of the concession price under each of such agreements was due 40% upon execution of the agreement and 60% in three equal annual installments (subject to inflation-related adjustments and interest) starting in 1999. Both companies have made the concession payments, but ANATEL has rejected the companies' calculation of the inflation-related adjustments and requested payment of the alleged differences. The companies have filed actions in the Brazilian courts seeking resolution of the disputes. The court of first instance ruled against ATL in October 2001 and subsequently ATL filed appeals, which are pending. No ruling has been handed down to date in respect of the action filed by Tess. The aggregate contested amounts were approximately R\$362.7 million (including potential penalties and interest) at November 30, 2002.

Arbros

l) In May 2001, América Móvil guaranteed a bank loan to ARBROS for up to US\$100 million. In May 2002, the Company had to face such liability and paid US\$100 million to Credit Suisse. The Company has substituted in all the rights of Credit Suisse under such credit agreement and currently analyzes different actions for the recovery of part or the totality of such amount.

15. RELATED PARTIES

a) Following is an analysis of balances due from/to related parties as of December 31, 2002 and 2001.

	DECEMBER 31,	
	2002	2001
Accounts receivable:		
Telecom Americas, Ltd.		Ps. 1,149,556
Teléfonos de México, S.A. de C.V.	Ps. 486,864	532,734
Sanborns Hermanos, S.A. de C.V.	60,860	42,177
Sears Roebuck, S.A. de C.V.	20,272	25,502
Teléfonos del Noroeste, S.A. de C.V.	16,156	11,398
Seguros Inbursa, S.A. de C.V.		3,967
Others	1,977	4,116
	Ps. 586,129	Ps. 1,769,450
Accounts payable:		
América Telecom, S.A. de C.V.	Ps. 44,473	
Fuerza Guardina Inbursa, S.A.	22,560	
Consorcio Red Uno, S.A. de C.V.	18,151	
Alquiladora de Casas, S.A. de C.V.	206	Ps. 237,438
Carso Global Telecom, S.A. de C.V.		41,796
Compañía de Teléfonos Bienes y Raíces, S.A. de C.V.	318	8,891
Others	20,288	52,448
Total	Ps. 105,996	Ps. 340,573

b) Marketable securities included on 2001, Ps. 6,006,732 of notes issued by related parties.

Interest earned on such instruments for the years ended December 31, 2002 and 2001 were Ps. 78,240 and Ps. 386,433, respectively.

c) In the years ended December 31, 2002 and 2001 the Company had the following significant transactions with related parties, mainly with Telmex:

	2002		2001
Revenues:			
CPP interconnection fees (1)	Ps. 8,412,366	Ps.	8,099,766
Costs and expenses:			
Payments of long-distance, circuits and others (2)	3,498,696		3,675,558
Commercial, administrative and general:			
Advertising	449,904		455,619
Others, net	182,216	(	105,686)
Interest expense	55,031		6,337

(1) Interconnection fees from the "Calling Party Pays" program (CPP): incoming calls from a fixed-line telephone to a wireless telephone. Prior to the spin-off Telcel had entered into interconnection agreements with Telmex. The interconnection agreements specify a number of connection points, locations of interconnection points, the method by which signals must be transmitted and received and the costs and fees of interconnection.

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

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

e) The Company purchases materials and services from related parties under terms no less favorable than it could obtain from unaffiliated parties. Such materials and services include insurance and bank services provided by Grupo Financiero Inbursa, S.A. and certain subsidiaries.

16. STOCKHOLDERS' EQUITY

a) Capital stock at December 31, 2002 and 2001, is represented by 12,916 million and 13,199 million common shares with no par value, respectively, representing the fixed portion of capital.

An analysis of the shares at December 31, 2002 is as follows:

MILLIONS OF SHARES	
3,647	Series AA voting shares
291	Series A voting shares
8,978	Series L limited voting rights
<u>12,916</u>	

b) Series AA shares, which may be subscribed only by Mexican individuals and corporate entities, must represent at all times no less than 20% of capital stock and no less than 51% of the common voting shares. Common series A shares, which may be freely subscribed, must represent no more than 19.6% of capital stock and no more than 49% of the common voting shares. Series AA and A shares combined may not represent more than 51% of capital stock. The combined number of series L shares, which have limited voting rights and may be freely subscribed, and series A shares may not exceed 80% of capital stock.

The Company's bylaws permit the holders of series L shares to exchange such shares, in certain circumstances, for series AA shares, commencing January 1, 2001. During 2001, a total of 605 million of series L shares were exchanged for series AA shares.

At December 31, 2002, series AA shares represent 92.61% of the Company's voting shares and series A shares represent 7.38%.

c) On April 27, 2002 the stockholders declared a dividend of Ps. 0.044 per share, to be paid in four installments of Ps. 0.011 and Ps. 0.010 per share, respectively, in June, September and December 2002 and in March 2003.

d) At a regular stockholders' meeting held on March 30, 2001, it was decided to establish a reserve of five billion pesos (historical amount) for the purchase of the Company's own shares. On July 31, 2001, the stockholders approved an additional increase of five billion pesos to the reserve so that the reserve totals Ps. 10 billion (historical amount).

In 2002 and 2001, the Company purchased 281.6 and 807 million, respectively, series L shares for Ps. 2,095,310 and Ps. 7,192,029 (Ps. 2,038,972 and Ps. 6,662,635 historical) and 1.9 and 4 million series "A" shares for Ps. 12,990 and Ps. 42,670, respectively (Ps. 12,641 and Ps. 38,999 historical).

Under the Securities Trading Act, amended starting June 1, 2001, it is no longer required to create a reserve for the repurchase of the Company's own shares. The Company's own shares that have been purchased since this change were acquired using the reserve.

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

17. INCOME TAX, ASSET TAX AND EMPLOYEE PROFIT SHARING

a) Mexico

1) Effective January 1, 2002, the Ministry of Finance and Public Credit authorized América Móvil to consolidate the group tax returns of its Mexican subsidiaries. GCA is excluded from this tax consolidation.

2) Asset tax for the years ended December 31, 2001 and 2002 was Ps. 1,304,913 and Ps. 110,435, respectively. Such amounts were paid by crediting income tax paid in such years. Asset tax for the year ended December 31, 2002, was determined on a consolidated basis.

3) The corporate income tax rate for the years 2002 and 2001 was 35%. However, corporate taxpayers had the option of deferring a portion so that the tax payable represented 30% of taxable income. The earnings on which there was a deferral of taxes had to be controlled in a so-called "net reinvested tax profit account" ("CUFINRE"). This was basically to clearly identify the earnings on which the taxpayer had opted to defer payment of corporate income tax.

Since the Company opted for this tax deferral, earnings will be considered to be distributed first from the "CUFINRE" account and any excess will be paid from the "net tax profit account" ("CUFIN") so as to pay the 5% deferred tax. Effective January 1, 2002, the above-mentioned option of deferring a portion of income tax was eliminated.

4) Any distribution of earnings in excess of the above-mentioned account balances will be subject to payment corporate income tax.

An analysis of income tax charged to results of operations for the years ended December 31, 2002 and 2001 is as follows:

	2002		2001
Current year income tax of Mexican subsidiaries	Ps. 3,183,201	Ps.	3,338,121
Current year income tax of foreign subsidiaries	271,899		115,346
Deferred income tax	(366,412)	(	288,822)
Total	Ps. 3,088,688	Ps.	3,164,645

5) The following items represent the principal reasons for the differences between Mexican income taxes computed at the statutory tax rate and the Company's provision for income tax:

	DECEMBER 31,	
	2002	2001
Statutory income tax rate in Mexico	35.0%	35.0%
Financing costs	0.2	1.8
Goodwill	0.5	0.7
Impairment in affiliates		1.0
Sale of affiliates	(4.5)	
Others	(2.9)	5.4
Effective tax rate for Mexican operations	28.3	43.9
Revenues and costs of foreign subsidiaries	(2.0)	7.3
Effective tax rate	26.3%	51.2%

6) The temporary differences on which the Company recognized deferred taxes in the years ended December 31, 2002 and 2001, were as follows:

	DECEMBER 31,	
	2002	2001
Deferred tax assets		
Liability provisions	Ps. (1,155,073)	Ps. (467,086)
Other	(66,804)	(80,803)
Deferred revenues	(469,774)	(341,135)
	(5,455,178)	(388,459)
	(7,146,829)	(1,277,483)
Deferred tax liabilities		
Fixed assets	1,811,578	1,376,373
Inventories	696,148	1,049,721
Licenses	561,365	588,006
	3,069,090	3,014,100
Valuation allowance	6,136,690	382,237
Deferred income tax liability	Ps. 2,058,951	Ps. 2,118,854

On January 1, 2002, a annual one-percentage point decrease in the income tax rate was approved, starting in 2003, so that in 2005 the rate will be 32%. The effect of this tax rate change on the determination of deferred taxes in future years will represent a credit to result of operations of approximately Ps. 130 million.

The Company's foreign subsidiaries record deferred taxes based on the guidelines established in SFAS-109, which is similar to Mexican accounting Bulletin D-4 issued by the Mexican Institute of Public Accountants. These companies have created a valuation allowance for deferred taxes.

7) The Company is legally required to pay employee profit sharing in addition to the compensations and benefits to which employees are contractually entitled. The statutory employee profit sharing rate in 2002 and 2001 was 10% of taxable income.

b) Foreign Subsidiaries

The foreign subsidiaries determine their income tax based on the individual results of each subsidiary and in conformity with the specific tax regulations of each country. The pretax income (loss) and tax provisions of these subsidiaries in 2002 and 2001 were Ps. 1,279,846 and Ps. (2,356,407) and Ps. 271,899 and Ps. 115,346, respectively.

At December 31, 2002, America Móvil's foreign subsidiaries, principally Telecom Américas and Comcel, have available tax loss carryforwards in conformity with the tax regulations of their respective countries aggregating US\$ 1,344 and US\$ 482 million, respectively.

The available tax loss carryforward in Brazil has no expiration date; however, the carryforward in a given year may be for no more that 30% of taxable income.

Tax losses in Colombia will expire in 2003 and 2007.

18. SEGMENTS

América Móvil operates primarily in one segment (cellular services); however, as mentioned in Note 1b above, the Company has international telecommunications operations in Mexico, Guatemala, Ecuador, Brazil, Argentina, Colombia and United States. The accounting policies of the segments are the same as those described in Note 2.

The following summary shows the most important segment information

	MEXICO CORPORATE	MEXICO (TELCEL)	GUATEMALA (INCLUDES NICARAGUAN OPERATIONS)	ECUADOR	COLOMBIA	BRAZIL	ARGENTINA	U.S.A.	ELIMINATIONS	CONSOLIDATED TOTAL
December 31, 2002										
Operating revenues	1,213,678	46,007,279	7,260,372	1,251,027	3,095,418	2,593,158	47,164	4,079,664	(8,086,378)	57,461,382
Depreciation and amortization	288,837	3,833,522	1,241,304	456,935	898,948	1,767,320		245,948	(455,173)	8,277,641
Operating income	(283,341)	11,866,614	1,683,649	317,432	342,302	(717,669)	42,615	(332,453)	(434,383)	12,484,766
Interest paid	4,951,837	7,871,648	737,496	53,956	306,064	10,768	9,711		(11,540,427)	2,401,053
Segment assets	244,603,297	120,085,034	25,825,335	4,223,079	9,125,522	40,260,000	778,792	1,245,959	(333,097,458)	113,049,560
Plant, property and equipment, net	858,154	38,190,447	9,144,358	1,479,622	2,739,859	6,466,195	899,155	404,155	406,686	60,588,631
Goodwill, net	1,574,868	2,851,470	1,968,660	1,557,629	264,210	482,141			(2,674,282)	6,024,696
Trade marks and patents	6,537,011									6,537,011
Licenses, net		1,630,064	574,939	293,521	2,196,878	10,678,511	221			15,374,134
December 31, 2001										
Operating revenues	25,344	36,276,951	4,237,925	819,940				4,567,221	(2,205,725)	43,721,656
Depreciation and amortization	147,666	2,580,000	1,076,898	621,573				338,998	(32,762)	4,732,373
Operating income	(432,064)	7,111,722	1,292,326	(525,756)				(3,016,145)	1,989,538	6,419,621
Interest paid	1,034,651	4,699,411	518,639	122,577					(5,273,978)	1,101,300
Segment assets	72,118,097	110,690,539	27,298,614	4,033,886				1,436,117	(117,632,288)	97,944,965
Plant, property and equipment, net	580,440	32,152,464	7,723,645	1,301,948				498,065		42,256,562
Goodwill, net	1,066,772	482,693	789,497	1,950,328				700,454	(489,830)	4,499,914
Licenses, net		1,779,063	517,354	318,973						2,615,390

19. SUBSEQUENT EVENTS

a) In January, 2003, América Móvil made a public placement on the Mexican capital market of Ps. 1,000 million in floating-rate securities redeemable in three years. These instruments were issued as part of a third Ps. 5,000 million program registered by América Móvil with the NBSC.

b) On January 29, 2003, the Company issued the equivalent of US\$ 68 million of long term bonds in the Colombian market. These bonds bear annual interest at the real rate of 7.5%.

c) In February 2003, the Company acquired from Millicom International Cellular a 95% equity interest in the Colombian mobile telephone company Celcaribe, S.A, which operates in the Caribbean region of Colombia, for approximately US\$ 96 million.

d) In February 2003, Telcel obtained final relief from the proceedings filed against it with respect to the non-deductibility of certain items. As a result, the Company will receive an income tax refund for those items paid in excess in 2001 of approximately Ps. 817 million.

e) In March 2003, the Company closed an agreement with BellSouth Corporation and Verbier to acquire from these companies a 95% equity interest in BSE, S.A., which operates in the northeast region of Brazil, for approximately US\$ 185 million.

20. DIFFERENCES BETWEEN MEXICAN AND U.S. GAAP

The Company's consolidated financial statements are prepared in accordance with Mexican GAAP, which differ in certain significant respects from Generally Accepted Accounting Principles in the U.S.A. ("U.S. GAAP"). The principal differences between Mexican GAAP and U.S. GAAP, as they relate to the Company, consist of the accounting for deferred income taxes and deferred employee profit sharing (deferred taxes), the accounting of goodwill and the restatement of plant, property and equipment. Other differences are the accounting for interest on assets under construction and the treatment of minority interest.

The reconciliation to U.S. GAAP does not include the reversal of the adjustments to the financial statements for the effects of inflation required under Mexican GAAP (Bulletin B-10), because the application of Bulletin B-10 represents a comprehensive measure of the effects of price-level changes in the Mexican economy and, as such, is considered a more meaningful presentation than historical cost based financial reporting for both Mexican and U.S. accounting purposes.

A summary reconciliation of net income and total stockholders' equity between Mexican and U.S. GAAP is as follows:

	DECEMBER 31,	
	2002	2001
Net income (loss), as reported under Mexican GAAP	Ps. 4,601,036	Ps. (875,274)
Total U.S. GAAP adjustments, net	2,602,625	230,722
Net income (loss) under U.S. GAAP	Ps. 7,203,661	Ps. (644,552)
Total stockholders' equity under Mexican GAAP	Ps. 49,192,906	Ps. 59,856,950
Total U.S. GAAP adjustments, net	479,310	367,206
Total stockholders' equity under U.S. GAAP	Ps. 49,672,216	Ps. 60,224,156

Shareholder information



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Shares traded in Mexico

“A”: Bolsa Mexicana de Valores
Symbol: AMX A

“L”: Bolsa Mexicana de Valores
Symbol: AMX L

Shares traded in the U.S.

ADS: New York Stock Exchange
Symbol: AMX
One ADS represents 20 “L” shares

ADS: NASDAQ
Symbol: AMOV
One ADS represents 20 “A” shares

Shares traded in Spain

“L”: LATIBEX. Mercado de Valores
Latinoamericanos en Euros
Symbol XAMXL

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