

AMÉRICA MÓVIL



Entering
A NEW
DIMENSION

2009 / 1st Half 2010 Report

AMÉRICA MÓVIL is the leading provider of communication services in Latin America and one of the five largest in the world in terms of equity subscribers and market capitalization. It has operations in eighteen countries, covering a combined population of 800 million people. State-of-the-art products and quality services are available to América Móvil's client base through 259 million wireless, fixed-line, broadband and television accesses. Commitment to the region, proximity to its clients and an ability to take advantage of the opportunities it encounters will allow América Móvil to continue to deliver on revenues and profit growth.



After a truly spectacular expansion of data revenues in 2009 in the face of adverse economic conditions throughout the Americas, and with the worldwide trend towards mobile computing accelerating fast on the back of an ever increasing array of smartphones and other wireless devices and mobile applications, América Móvil decided that it was time to undergo a major transformation, one that would leave it better suited to address the demands of its clients in the years to come. And so it was that it announced early in 2010 its intention to acquire controlling stakes in Telmex and Telmex Internacional in a move that would lead it to become an integrated telecom company. Our new structure, which has given us access to vast fiber-optic and cable networks, will help us cope with the increased demand for wireless data services expected to materialize over the next several years and allow us to present our clients integrated offers of fixed and wireless telephony, broadband and video services. A “mostly wireless” entity since its inception at the end of 2000, América Móvil has now become—effective June 2010—an integrated one. Thus ended our first era, the “mostly wireless” one, as we entered a new dimension in terms of product offerings, breadth of operations and relative positioning in the global telecom space.

CONTENTS > Relevant Financial Data 2 / Relevant Events 3 / A new dimension that will materially enhance the user-experience of our clients 4 / A new dimension in product offerings that presents us with commercial and operational challenges and opportunities 8 / A new dimension in scale and reach that repositions América Móvil in the telecom space 12 / Our Company at a Glance 16 / Letter to Our Shareholders 18 / Operating Review / América Móvil 20 / Mexico 22 / Brazil 23 / Mercosur 24 / Andean 24 / Central America 25 / Caribbean 26 / United States 26 / Board Members and Directory 27 / CEO's Report to the Board of Directors 28 / Opinion and Reports of the Board of Directors to the Shareholders' Meeting 30 / Report of the Audit Committee 32 / Financial Summary 35 / Consolidated Financial Statements 36

RELEVANT FINANCIAL DATA

Data in millions of Mexican pesos as of June 30, 2010, except for earnings per ADR.

	Jan-Jun 2010*	Var%	2009	2008	Var%	Millions of US Dollars 2009
Total Revenues	192,903	11.3%	394,711	345,655	14.2%	30,223
EBITDA	77,607	11.9%	157,291	137,313	14.5%	12,044
EBITDA Margin	40.2%		39.8%	39.7%		39.8%
Operating Profit	51,635	9.5%	104,209	95,546	9.1%	7,979
Operating Margin	26.8%		26.4%	27.6%		26.4%
Net Income	28,961	-11.6%	76,998	59,575	29.2%	5,896
Earnings per Share (EPS, pesos)	1.11	-7.3%	2.35	1.74	35.1%	0.18
Earnings per ADR (US dollars)	1.75	1.4%	3.60	2.57	40.0%	
Total Shareholders' Equity	267,328	72.7%	177,906	144,925	22.8%	13,622
Total Assets	655,362	57.1%	453,008	435,455	4.0%	34,687
Weighted Average of Common Shares Outstanding (millions)	32	-2.4%	32,738	34,220	-4.3%	2,507
Return on Equity			47.70%	43.80%		

*Not Auditted

Beginning on January 2010, América Móvil's financial statements are presented in accordance to International Financial Reporting Standards (IFRS) both at the consolidated and subsidiary levels. The move towards IFRS is mandatory for all Mexican listed companies, which are obliged to adopt them by January 1st, 2012 at the latest. The main change regarding the income statement is that revenues are now presented net of commissions to post-paid distributors and the cost of loyalty programs. Financial Information for the other years was prepared under Mexican GAAP.

We determine EBITDA as shown in this reconciliation:

	Jan-Jun 2010	2009	2008
Operating Income	51,635	104,209	95,546
Plus			
Depreciation	22,113	42,953	32,677
Amortization	3,859	10,129	9,090
EBITDA	77,607	157,291	137,313

RELEVANT EVENTS

2009

March: We launched operations in Panama under the brand Claro, offering GSM/UMTS services in that country.

April: We subscribed with the China Development Bank (CDB) a loan agreement in the amount of one billion dollars. This is the largest transaction to date between a Chinese bank and a Mexican entity.

October: Number portability was implemented in Ecuador.

November: The Colombian Ministry of Communications awarded Comcel 10MHz of spectrum in the 1900MHz band for a period of 10 years.

December: América Móvil paid an extraordinary dividend of 50 Mexican peso cents per share. It represented an aggregate amount of 15.8 billion Mexican pesos (equivalent to 1.2 billion dollars).

América Móvil surpassed the 200 million wireless subscribers mark, closing the year with 201 million subscribers.

2010

January: América Móvil announced its intention to acquire up to 100% of the stock of Carso Global Telecom (CGT), a Mexican holding company that owned approximately 60% of each of Teléfonos de México (Telmex) and Telmex Internacional (Telint). It noted also that it would tender for the remaining 40% of Telint shares that were not owned by CGT.

June: América Móvil announced the results of its tender offers for stock of Carso Global Telecom (CGT)

and Telmex Internacional (TII), both of which expired on June 10th. We obtained 99.4% of the stock of CGT and 32.9% of TII's through the tender offers. In the first case the CGT stock was exchanged for 7.1 billion AMX shares; in the second one, 61% of the TII shares obtained were tendered for AMX stock (1.3 billion AMX shares) and 39% for cash (26.8 billion Mexican pesos, equivalent to approximately 2.1 billion dollars). By July 16th our participation in CGT had risen to 99.9%. AMX now owns directly or indirectly approximately 94.6% of TII's outstanding shares and 59.4% of Telmex' stock. As a result of these transactions the number of outstanding AMX shares increased from 32.1 billion to 40.5 billion shares.

América Móvil will be consolidating the results of both Telmex and TII beginning July 1st on the basis of the global consolidation method.

By virtue of the integration of the companies, América Móvil ended June with 259.3 million accesses in the Americas, of which 211.3 million were wireless subscribers, 27.4 million fixed lines, 12 million fixed broadband accesses and 8.6 million television subscribers.

August: Our Mexican subsidiary Telcel was granted the right to use two nationwide blocks of 10MHz in the 1.7/2.1GHz bands and an additional 10MHz in three of the nine regions in which Mexico is divided for such purposes (Regions 1, 5 and 8). We paid an up front contribution of 3.7 billion Mexican pesos. This additional spectrum will enable Telcel to expand its wide array of data and value added services with the latest cutting edge technologies.

A NEW
DIMENSION



THAT WILL MATERIALLY
ENHANCE
THE USER-EXPERIENCE
OF OUR CLIENTS

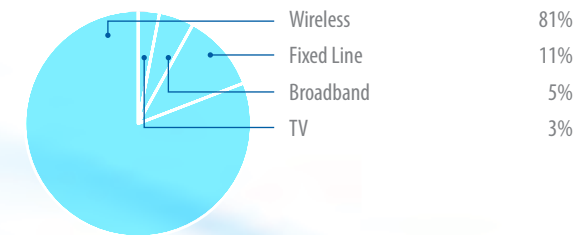


Total Accesses as of June 2010

259,269,540

Wireless	211,296,669
Fixed-line Telephony	27,382,727
Fixed Broadband	11,985,589
Television	8,604,555

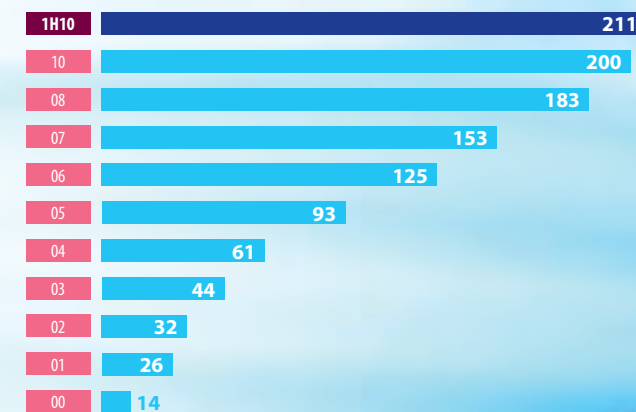
Total Accesses



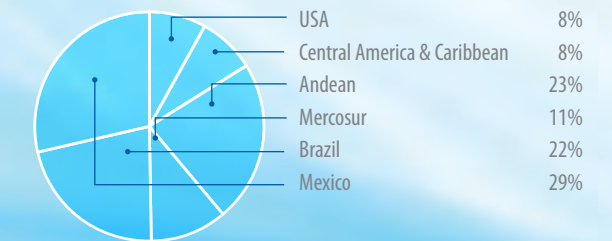
Wireless services were, not too long ago, solely about voice. They moved timidly into data as short messages (SMS) were introduced with the development of data transmission overlays such as GPRS. Data capabilities were still very basic given the slow speeds of transmission then possible. However, these speeds were to escalate rapidly with the introduction of new technologies, opening new possibilities for our clients that can now access their email, browse the Internet and run various applications directly from their wireless phone and other wireless devices.

Our clients and the countries we serve are truly entering a new dimension as voice gives way to data in this huge, rapid move towards mobile computing that is starting to take place throughout the world and which is likely to have a profound impact on their productivity and on how they interact with each other. As was the case with voice before it, wireless data will no doubt be a very powerful and efficient means of providing millions and millions of people data services that until now have eluded them.

Wireless Subscribers (millions)



Wireless Subscribers by Region



A NEW
DIMENSION



IN PRODUCT OFFERINGS

THAT PRESENT US WITH

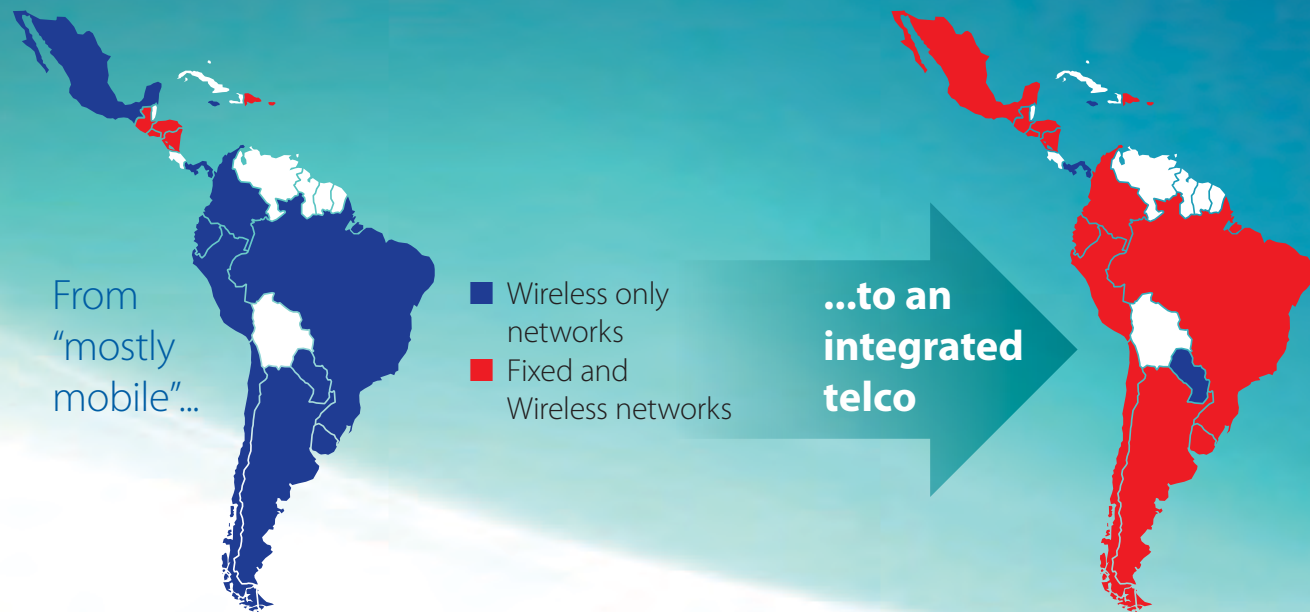
COMMERCIAL

AND OPERATIONAL CHALLENGES AND OPPORTUNITIES



276,000

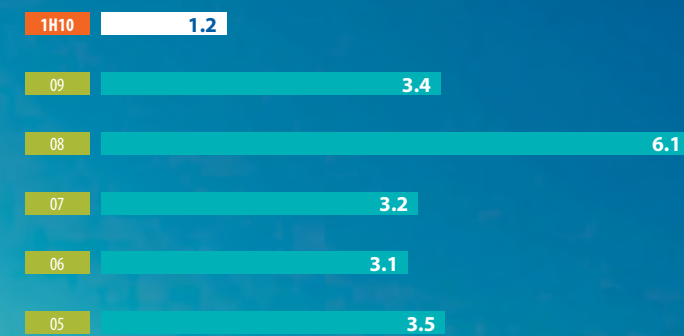
Kilometers of fiber optic lines



In becoming an integrated telecom company, América Móvil is entering a new dimension in terms of its product offerings and operations. We now have the capability of providing bundled services to our clients who can acquire from us the voice and data services they need irrespective of how they choose to access them, through wireless devices or fixed-line ones. We can provide them with entertainment, delivering video services to them wherever they are. In short, we can now take care of all their communication needs, what-

ever they are. To do this we not only will have to continue to manage and expand the vast wireless networks we have built throughout Latin America and the Caribbean; we will also have to direct our efforts to the operations and development of huge fiber-optic and cable networks in the region, working to ensure their efficient integration with our wireless platform. And seeing to it that our telecommunications infrastructure evolves in a manner that will permit us to meet the wishes and requirements of our clients in a rapidly changing environment.

Capex
(billions of dollars)

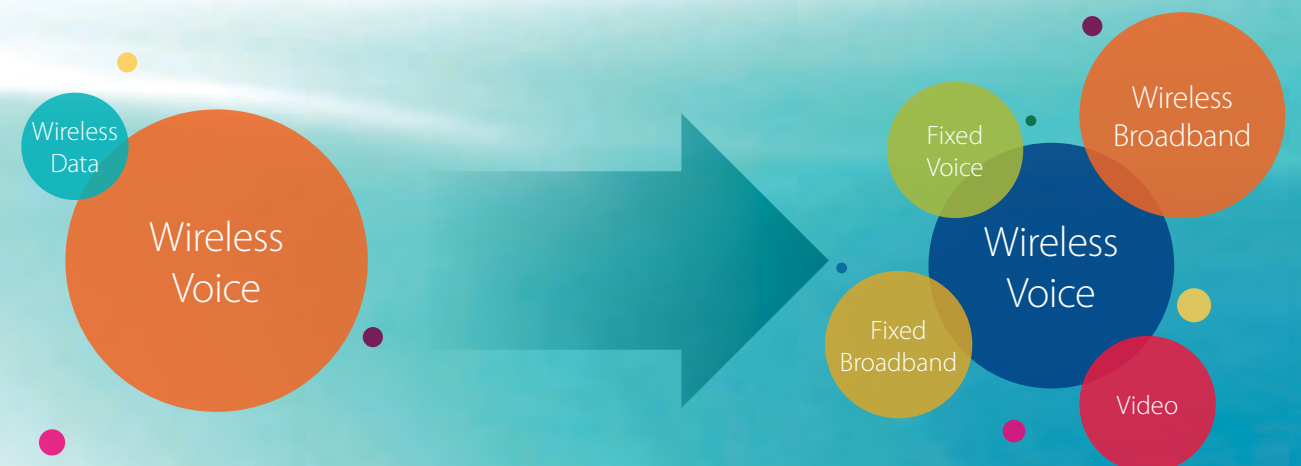


Includes spectrum licenses

18 MILLION
Homes passed with HFC Networks

5
Satellites

Introduction of integrated services in our commercial offerings



A NEW
DIMENSION

IN SCALE AND REACH THAT

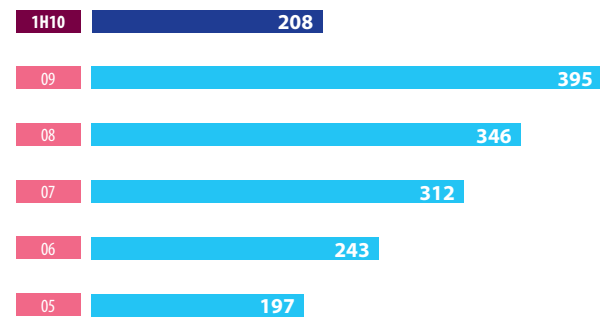
REPOSITIONS

AMÉRICA MÓVIL

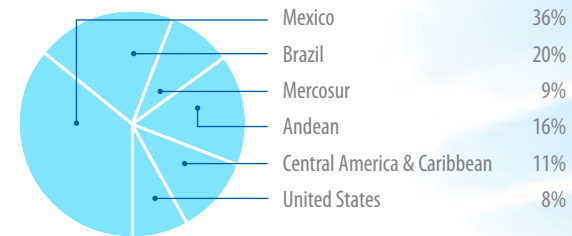
IN THE GLOBAL TELECOM SPACE

Revenues

(billions of Mexican pesos)



Revenues by region



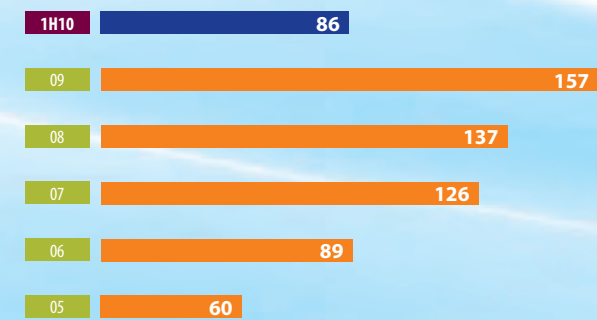
With 211 million wireless subscribers in June 2010, América Móvil stood as the third largest telecom company in the world by equity subscribers, one whose revenues had risen fast over the years, with revenues in the first six months of 2010 exceeding by ten times those observed nine years before—our first semester of operations. The significant levels attained in terms of both clients and revenues are now being given an extraordinary lift. Indeed, by combining our businesses with those of Telmex and Telmex Internacional we have entered a new dimension in terms of scale and reach.

Our access lines increased to 259 million after allowing for their fixed-line, broadband and video accesses. And our revenues and EBITDA will rise by over 40% once we consolidate all the entities. In the process we have become the eighth largest telecom company by revenues and EBITDA in the world and one of the largest by market capitalization. A financially robust enterprise with a strong competitive position that shall continue to enjoy the preference of its clients as it delivers to them more and better services at ever more affordable prices.

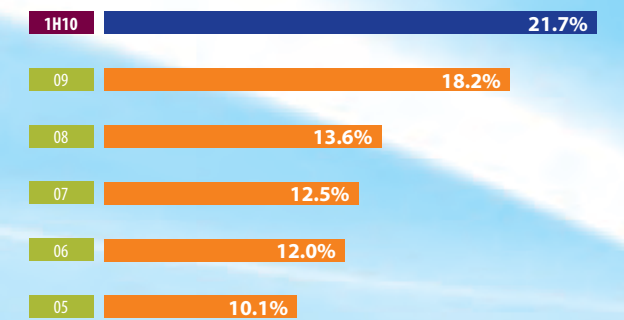


EBITDA

(billions of Mexican pesos)

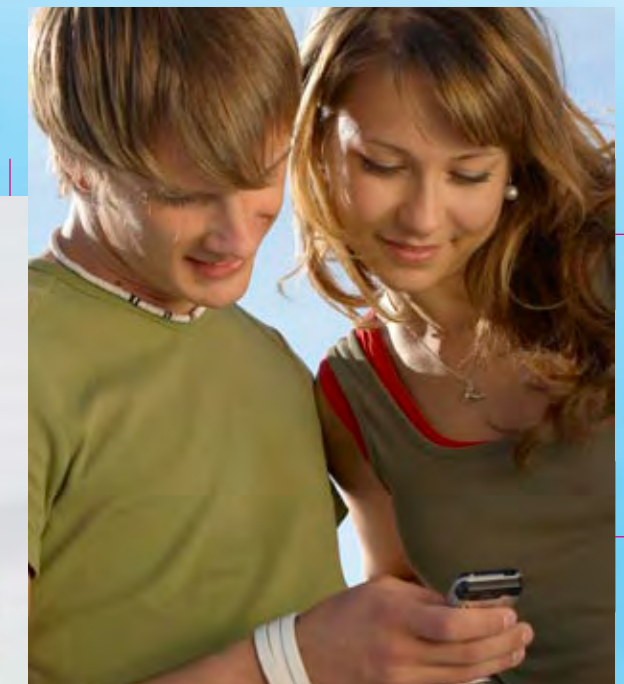


Data as % of Service Revenues



21.7%

share of data in ARPU



OUR COMPANY AT A GLANCE



Country	Licensed Pops	Wireless Penetration	Wireless Market Share	Wireless Subscribers	Fixed Lines	Broadband Subscribers	Television Subscribers
1 United States: Tracfone	308	14%*	38%*	15,912	—	—	—
2 Mexico: Telcel	108	80%	71%	61,293	15,744	6,954	—
3 Brazil: Claro	196	95%	25%	46,902	6,889	3,332	5,639
4 Ecuador: Porta	14	106%	70%	10,060	22	37	17
5 Peru: Claro	29	77%	42%	9,076	128	65	179
6 Colombia: Comcel ⁽¹⁾	47	95%	63%	28,382	524	562	1,808
7 Chile: Claro	17	111%	22%	4,048	177	118	443
8 Argentina: Claro ⁽²⁾	50	123%	32%	19,157	134	56	—
9 Central America: Claro ⁽³⁾	34	91%	33%	10,043	2,257	346	454
10 Caribbean: Claro ⁽⁴⁾	16	94%	43%	6,424	1,507	517	64

Licensed population in millions

Subscribers in thousands

*Refers to the Prepaid Market only

1. Comprises **Panama**

2. Comprises **Paraguay and Uruguay**

3. Comprises **Guatemala, El Salvador, Honduras and Nicaragua**

4. Comprises **Dominican Republic, Puerto Rico and Jamaica**

LETTER TO OUR SHAREHOLDERS

2009 had barely come to an end when América Móvil announced on January 13th, that it intended to acquire up to 100% of the stock of Carso Global Telecom (CGT), a Mexican holding company that owned approximately 60% of each of Teléfonos de México (Telmex) and Telmex Internacional (Telint). It noted also that it would tender for the remaining 40% of Telint shares that were not owned by CGT. The announcement came as a surprise to many people as the move was to be profoundly transformational.

We had originally been spun off from Telmex back in the year 2000 in what was essentially the splitting off of the wireless business from the wireline one. From the outset we had been a company that was mostly about mobile telephony although since the beginning we owned an integrated operation in Guatemala and over the years had acquired other such operations in various countries in Central America (El Salvador, Nicaragua) and the Caribbean (Dominican Republic, Puerto Rico).

At the time of the spin-off the wireless and the wireline networks were very much independent of each other. And wireless services were exclusively centered on voice. It was not until our

third year that we started offering data services (in the form of short messages) throughout our operations taking advantage of the data transmission capabilities of GPRS overlays running on our TDMA and GSM networks at speeds of up to 40 kilobits per second. GPRS eventually gave way to EDGE, which allowed for 3 times faster speeds and enabled the use of other applications, particularly email. In only five years our revenues from data services—still mostly SMS—shot up from zero to nearly 13% of service revenues in 2007.

At around that time we started investing heavily in the deployment of 3G networks throughout the region. By the end of the year we had begun offering 3G services in Brazil and Argentina and a few months later had done the same in Mexico and Colombia. At the close of 2008 we had 16 3G networks in operation in as many countries, having directed a record 5.5 billion dollars to capital expenditures in that year alone (not including spectrum licenses) that allowed us not only to roll out those 3G networks but also to expand our coverage and to significantly increase the capacity we had available—something needed for us to be able to continue to reduce the prices of our voice services.

Whereas by itself the additional voice capacity that came with our 3G networks justified the expense

on 3G networks—given their greater efficiency in the handling of voice services—the fact of the matter is that these networks, together with their HSDPA overlays also happened to deliver much faster data transmission speeds: up to 1.5 megabits per second, or 13 times more than was possible under EDGE. This opened up new opportunities on the data front, allowing for new applications and significantly better browsing capabilities. However, it was difficult to put a handle on exactly how significant they would be.

2009 was to be a trying year, with the world economy having entered a major slump just prior to its onset. But it was also to be one in which new light would shine on the opportunities to be had in the telecom sector. In spite of the adverse economic conditions and of the fact that the new 3G data services were only available to a small minority of our clients—those who already owned a personal computer (who would demand wireless data cards) or that could afford a smartphone—our data-service revenues shot up. The median rate of growth of data services among our operations was 53%, with 3G data services contributing approximately 4.5 percentage points of service revenues in Mexico, Brazil, Colombia, Peru and Chile in the first full year of 3G operations, surpassing all expectations.

The advent of more and more applications running on smartphones and the prospect of a rapidly expanding offer of smartphones running on different mobile platforms at increasingly lower entry prices is likely to lead to a much faster rate of adoption of 3G (and eventually 4G) devices among our subscribers, with the corresponding impact on the overall demand for data services and the challenges to our networks stemming from their having to move ever-greater loads of data.

Over the last several years the evolution of telecommunications technology has brought about an ever greater convergence of the mobile and fixed networks. Those platforms are increasingly becoming one and the same. They already utilize the same data protocols (voice over IP, video over IP). And both require more fiber optic cable to transport data.

With more people expected to acquire devices such as smartphones and tablet computers, with clients ramping up their usage of data and applications becoming more and more prevalent and data-intensive, integration of the mobile and fixed networks becomes key. Hence our decision to move to an integrated platform.

In June we closed our tender offer, having acquired substantially all



the stock of CGT and a significant majority of the float of Telint. As a result, we now will manage integrated operations in substantially all the countries where we operate which provides us with the ability of offering our customers multiple play services that may include fixed and wireless telephony, broadband and video.

América Móvil ceased to be a “mostly wireless” company in June 2010 becoming instead an integrated telecom enterprise with more than 259 million accesses, including 211 million wireless subscribers. It was the end of our first era, the “mostly mobile” one. And it marked a new beginning that presages significant expansion driven by technological change. A new era in which data services—particularly in the wireless sphere—will become the main driver of growth, but in which voice will continue to expand on the back of greater usage and penetration.

It will be an exciting ride. It will profoundly affect the way how people interact with each other and will put at their disposal more information than any other generation has ever had access to. In so doing it is likely to significantly advance the development of our countries, their people, and our employees.

América Móvil ceased to be a “mostly wireless” company in June 2010 becoming instead an integrated telecom enterprise... it marked a new beginning that presages significant expansion driven by technological change.


PATRICIO SLIM DOMIT
Chairman of the Board


DANIEL HAJJ ABOUMRAD
Chief Executive Officer



In 2009, América Móvil broke the 200 million-subscriber mark. We gained 18.2 million new subscribers in the period to finish December with 201 million wireless clients, 10.0% more than a year before. Along with 3.8 million fixed lines in Central America and the Caribbean we had a total of 204.8 million lines in our region of operations. Wireless penetration is estimated to have reached 90% in our region of operations (excluding the U.S.) climbing nearly eight percentage points in the year.

In practically all of our operations postpaid subs increased more rapidly than the prepaid ones helped along by better coverage, quality of service and technological platform that allows us to offer them a wider range of data services. In Mexico and the Dominican Republic postpaid gains significantly exceeded those seen a year before.

Brazil led the way in terms of net additions with 5.7 million in the year, followed by Tracfone, in the U.S. with 3.2 million (93% more than in 2008) and Mexico with 2.8 million. Argentina gained 1.6 million subscribers in the year while Peru and Ecuador obtained 1.1 million net adds each while Colombia-Panama added 407 thousand.

At the end of the year we had close to 60 million subs in Mexico, 44 million in Brazil, 28 million in Colombia and 17 million in Argentina. In the U.S. we had over 14 million clients, making Tracfone the largest operator by subscribers in the prepaid segment of the market.

With the South American economies recovering more rapidly than anticipated from the crisis that shook the world, subscriber growth in those countries reaccelerated towards the end of 2009, helping post revenue increases that were driven also by strong secular demand for wireless data services.

Revenues for 2009 totaled 29.2 million dollars, they were 14.2% greater in Mexican peso terms. They were driven by service revenues that were up 17.1%—in local currency terms—from a year before buoyed by data services that increased 53.8%. As regards data,

Colombia showed the fastest growth rate in its local currency, 86.8%, followed by Chile, the Caribbean and Brazil with 74.2%, 68.2% and 62.5%, respectively. The median growth of our operations was 50.8%. Voice revenues were up more than 10% in Argentina, Ecuador and the US; The Caribbean and Peru were just below those levels. With the exception of Chile and Central America, all our operations registered increases in voice, even Mexico where the growth was 1.6% in spite of the sharp downfall of the Mexican economy.

We generated EBITDA of 11.8 million dollars in 2009, it was up 14.8% in peso terms as compared to last year's. This translated into an EBITDA margin of 40.3% in the year, slightly higher than that of 2008. Our operation in Peru showed a margin expansion of 7.7 percentage points, in Ecuador the margin rose 3.5 percentage points while Mexico and Argentina-Paraguay-Uruguay the increase was more than 2 points.

Depreciation and amortization charges rose 5% to 3.9 million dollars as we were allowed to proceed with faster depreciation for the full year 2009 of our GSM network in some countries. Operating profits reached 7.8 billion dollars in the year and net profit 5.2 billion. The latter figure represented a 29.2% year-on-year increase in local currency terms.

Our comprehensive financing costs totaled 221 million dollars in the year, having been kept down by foreign exchange gains of 337 million dollars and by the downward trend of our net debt, which ended the year at 6.4 billion dollars, down from 9 billion dollars in 2008. Whereas part of this reduction was brought about by exchange rate movements, for the most part it reflected the strength of our cash flow, which allowed us to reduce our debt, to cover 3.7 billion dollars in share buybacks and dividend payments—including 1.2 billion paid out on December 10th—and to fund capital expenditures totaling 3.4 billion dollars.

1H10

In the first semester América Móvil added 10.3 million wireless subscribers—of which 17.2% were postpaid—to finish June with 211.3 million wireless clients in the

At the end of the period, we had 30 million postpaid wireless subscribers in our region of operations, 14.1% more than a year ago.

COUNTRY	BRAND	BUSINESS	EQUITY PARTICIPATION	CONSOLIDATION METHOD
Subsidiaries				
Mexico	Telcel	wireless	100.0%	Global Consolidation Method
	Telmex ⁽¹⁾	wireline	59.4%	Global Consolidation Method ⁽³⁾
Argentina	Claro	wireless	100.0%	Global Consolidation Method
	Telmex ⁽²⁾	wireline	96.7%	Global Consolidation Method ⁽³⁾
Brazil	Claro	wireless	100.0%	Global Consolidation Method
	Embratel ⁽²⁾	wireline	97.3%	Global Consolidation Method ⁽³⁾
	Net ⁽³⁾	cable	35.3%	Equity Method ⁽³⁾
Chile	Claro	wireless	100.0%	Global Consolidation Method
	Telmex ⁽²⁾	wireline	99.7%	Global Consolidation Method ⁽³⁾
Colombia	Claro	wireless	99.4%	Global Consolidation Method
	Telmex ⁽²⁾	wireline	100.0%	Global Consolidation Method ⁽³⁾
Dominicana	Claro	wireless/wireline	100.0%	Global Consolidation Method
Ecuador	Porta	wireless	100.0%	Global Consolidation Method
	Telmex ⁽²⁾	wireline	100.0%	Global Consolidation Method ⁽³⁾
El Salvador	Claro	wireless/wireline	95.8%	Global Consolidation Method
Guatemala	Claro	wireless/wireline	99.3%	Global Consolidation Method
Honduras	Claro	wireless/wireline	100.0%	Global Consolidation Method
Jamaica	Claro	wireless	99.4%	Global Consolidation Method
Nicaragua	Claro	wireless/wireline	99.5%	Global Consolidation Method
Panama	Claro	wireless	99.5%	Global Consolidation Method
Paraguay	Claro	wireless	100.0%	Global Consolidation Method
	Claro	wireless	100.0%	Global Consolidation Method
Peru	Claro	wireless	100.0%	Global Consolidation Method
	Telmex ⁽²⁾	wireline	100.0%	Global Consolidation Method ⁽³⁾
Puerto Rico	Claro	wireless/wireline	100.0%	Global Consolidation Method
Uruguay	Claro	wireless	100.0%	Global Consolidation Method
USA	Tracfone	wireless	98.2%	Global Consolidation Method
Affiliate				
Mexico	Telvista	other	45.00%	Global Consolidation Method ⁽³⁾

(1) Owned through Carso Global Telecom

(2) Equity Participation of Telmex Internacional of which América Móvil owns 93.9%

(3) From July 1st, 2010

Americas, 11.0% more than a year ago. Net additions were 36% greater than in the same period of last year. In Colombia and in Chile they were 3 and 2.5 times higher than in 2009 whereas in Brazil and in Peru they were up approximately 40% and in Mexico 24.4%.

At the end of the period, we had 30 million postpaid wireless subscribers in our region of operations, 14.1% more than a year ago. Our postpaid subscriber base has been growing faster than our prepaid one for several years as we continue to expand our overall coverage and capacity and adopt new technologies.

Brazil led in terms of net adds with 2.5 million followed closely by Mexico with 2.1 million and Argentina with little less than a million. Peru added 765 thousand clients, while Colombia and Ecuador gained just over 600 thousand each.

At the end of June we had 61.3 million subscribers in Mexico, 46.9 million in Brazil, 28.3 million in Colombia and 17.9 million in Argentina. We also had nearly 16 million clients in the U.S. Ecuador and Central America had 10 million subscribers each, while Peru ended the period with just over 9 million. The fastest growth in relative terms was observed in Chile and the U.S., with just over 27% year-on-year, followed by Peru with 17.8% and Brazil with 15.8%.

We generated 15.2 billion dollars of revenues in the first half of 2010, up 11.3% year over year in Mexican peso terms. The share of data in service revenues continued its relentless drive upwards hitting 21.7% of service revenues in the semester, up from 17.1% a year before.

In the six months through June our EBITDA totaled 6.1 billion dollars, growing in line with revenues as the margin remained flat.

The semester's operating profit, 4.1 billion dollars, led to a net profit of 2.3 billion dollars after allowing for financial costs of 349 million dollars. Whereas operating profits rose 9.5% year-on-year (less than EBITDA because of faster depreciation charges, mainly in Brazil), net profits were down 11.6% mostly on account of the extraordinary (and significant) foreign exchange gains obtained in 2009.

Our net debt declined to 5.6 billion dollars at the end of the period. It was 750 million lower than at the end of 2009 even after allowing for the payments made for Telmex Internacional shares in the context of the tender offer that closed in June (2.1 billion dollars). Our capital expenditures totaled 1.2 billion dollars whereas our share buybacks and dividends added up to 433 million dollars.



Our Mexican operations added 2.8 million clients in 2009 to close the year with 59.2 million subs, 5.0% more than at the end of 2008. Our postpaid base expanded more rapidly than the prepaid one, having increased 27.4% in 2009 versus 3.2% for our prepaid base. The latter figure reflects the cancellation of one million prepaid subscribers that had had no consumption, possibly on account of the economic downturn.

Telcel's revenues totaled 10.5 billion dollars in the period. They were up 5.2% year-on-year in pesos, helped along by data revenues that rose 39.2%. The year's EBITDA amounted to 5.8 billion dollars and was up 10.6% in local currency, with the EBITDA margin rising to 55.1% from 52.4% in the prior year.

Minutes of use per subscriber increased 11.6% to an all-time high that was just shy of 200, whereas the average price per minute of voice fell 32.1% to 5.1 dollar cents, its lowest level to date and, together with the US, the lowest among the countries that make up the OECD.

We have made important investments to offer our clients the best coverage and a variety of services supported by cutting-edge technology. We provide services to over 200 thousand communities, including 60 thousand that have less than 5 thousand inhabitants where Telcel is often the only service provider. Our market share in the postpaid market—the one with the highest consumption levels—stands at 49.4%, as those clients have come to value our comprehensive coverage and the data services we pro-

vide, both of them made possible by our investment efforts. A vast and modern network, good quality of service and competitive prices have earned us the preference of most Mexican subscribers, which is reflected in our 66.8% market share of wireless service revenues in the country.

1H10

We gained 2.1 million subscribers in the first half, approximately 24.4% more than in the prior year, to finish June with 61.3 million subs, 5.5% more than a year before. 22.0% of our net adds were postpaid. Our postpaid base increased 23.8% from June 2009

contributing to the growth of our market share in the postpaid segment of the market.

Through June, revenues were up 9.2% (in peso terms) from a year before, to 5.6 billion dollars, with net service revenues of 4.7 billion dollars exceeding by 7.5% those of the first half of 2009.

First semester EBITDA of 3.3 billion dollars was 9.2% higher than last year. At 58.3% the semester's EBITDA margin was identical to that of a year before in spite of the faster pace of subscriber growth, partly on account of lower subscriber acquisition costs on a per gross add basis.



The recovery of the Brazilian economy was behind the reacceleration of subscriber growth seen in the second half of the year. We added 5.7 million subscribers to finish 2009 with 44.4 million subscribers in Brazil, up 14.6% from a year before with our postpaid base growing 10.8% to 8.7 million subs.

We generated 6 billion dollars of revenues in the year; they were 4.2% greater than those of 2008 in local currency terms. Service revenues rose 8.8% impelled by data revenues, which soared by 62.5%. Data accounted for 13.2% of service revenues in 2009 coming from 8.6% in the prior year.

EBITDA was up 6.7% in reais and totaled 1.5 billion dollars, with the EBITDA margin at 24.2% of revenues, 0.6 points above last year's. This improvement in EBITDA took place even after we increased our provision for bad debt in moving to a more conservative approach; after allowing for greater spending on

customer services and links; and after factoring in a 14.4% increase in taxes paid on the concession (levied on subscribers and radio-bases). It was made possible by good cost control and by a decline in subscriber acquisition costs.

1H10

Our subscriber base reached nearly 47 million subscribers at the end of June after net additions of 2.5 million in the first six months. Net additions exceeded the prior year's 42.5%.

The period's revenues expanded 3.4% from the year-earlier-semester to 3.1 billion dollars, powered along by net service revenues that rose 4.5%. Data revenues that swelled 44.3% in turn drove these.

EBITDA of 901 million dollars was up 13.7% in annual terms, with the EBITDA margin climbing 2.6 percentage points to 28.9%.



Altogether, our operations registered 2.2 million net adds in 2009 even though penetration levels are estimated to have reached over 120% in Argentina and 110% in Chile. We ended December with a total of 21.8 million clients in the region, 11.4% more than at the end of 2008, with our postpaid subscriber base continuing to grow faster than our prepaid one (14.2% year-on-year).

We generated revenues of 2.8 billion dollars in the year slightly higher than those obtained a year ago. In local currency terms however, our operations in Argentina showed an annual growth of 18% while those of Chile were up 3.4%, driven by both voice and data revenue growth.

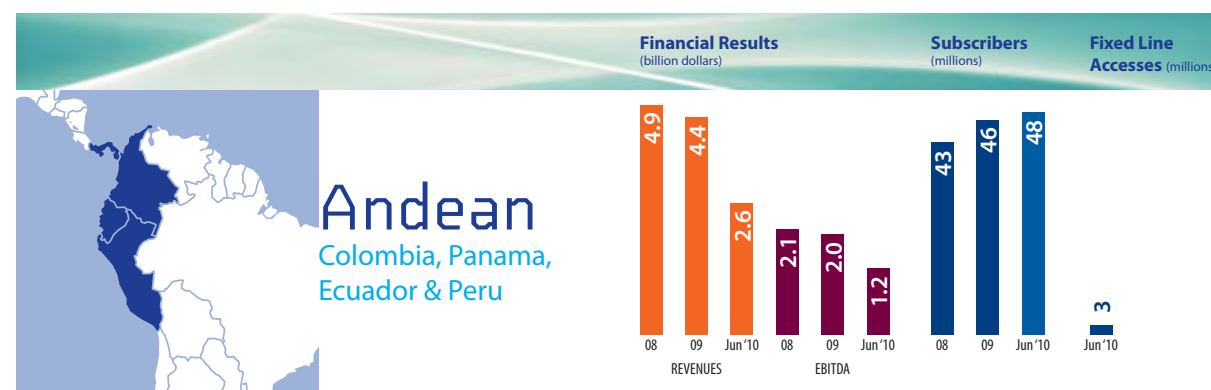
Strict cost controls and greater dilution of subscriber acquisition costs enabled us to generate EBITDA of 830 million dollars, which represented a 6.3% increase over 2008. At 30.1% the EBITDA margin for the period was up 1.7 percentage points.

Our 3G networks cover 74% of the population in this region, being Argentina the most advanced country in terms of data usage amongst all our operations.

1H10
Net additions of 1.4 million—nearly one third of them postpaid—exceeded by 31.9% those of the prior year bringing our combined subscriber base to 23.2 million clients in June, 12.5% more than a year before.

Revenues of 1.4 billion dollars exceeded by 14.9% those obtained in the same period of 2009. Service revenues were up 17.6% on the back of both voice and data revenues. Data revenue growth in Chile was noteworthy, at a rate of 98.0%.

EBITDA of 514 billion dollars surpassed by 35.5% the previous year's as the EBITDA margin soared 5.5 percentage points, to 36.5% of revenues.



Our operations in Colombia, Ecuador, Peru and Panama—a Greenfield operation ignited in March of 2009—registered 2.7 million net subscriber gains and finished 2009 with 45.6 million clients in this region, 6.3% higher than the previous year. Our postpaid subscriber base however grew more rapidly at 10.3% year-on-year.

2009 revenues added up to 4.7 billion dollars, slightly below those of last year resulting from the revaluation of several of this currencies against the US dollar. In local currency terms, Peru and Ecuador showed

a growth rate of 8.2% while in Colombia-Panama it was 1.6%.

Data was the most dynamic component of service revenues; it was up 26% relative to last year. In local currency terms it rose 86.1% in Colombia, 51.7% in Peru and 19.3% in Ecuador. Our UMTS networks now cover 49 million people in such countries.

We generated a combined EBITDA of 2.2 billion dollars, which was equivalent to 47.1% of revenues as the margin rose 2.3 percentage points. Peru and Ecuador

showed an important expansion of their EBITDA margins; 7.8 and 3.5 percentage points, respectively. The EBITDA in Colombia was distorted by the incorporation of Panama and the associated start-up costs of that operation.

In Peru, we completed the deployment of nearly 3,000 kilometers of optic fiber that links all mayor cities. Our fiber network runs across the country from north to south and interconnects with our operations in Ecuador and Colombia.

In Ecuador, number portability was implemented in October. Since then, subscribers are able to switch carriers without losing their number.

In the fourth quarter, the Colombian Ministry of Communications awarded Comcel 10MHz of spectrum in the 1900MHz band for a period of 10 years. Comcel has committed to provide coverage to 56 communities within the next twelve months as payment for the concession.

1H10
We added 835 thousand subscribers in the first half of the year. Our subscriber base rose 8.8% over the previous year to 47.5 million clients, while our postpaid sub base grew more rapidly at 12.2%. Our net additions in Peru were 45.4% greater than those obtained in the same period of 2009 and those of Ecuador were 13.7% greater.

In the first semester of 2010 our revenues totaled 2.5 billion dollars for a 25.4% year-on-year increase on the back of service revenue growth of 25.3%. Data revenues exhibited very strong growth in all our operations it was 97.4% in Colombia, 77.3% in Peru and 34.4% in Ecuador in annual terms.

For the first six months of the year EBITDA came in at 1.2 billion dollars—equivalent to 49.2% of revenues—exceeding the previous year's by 31.9%.



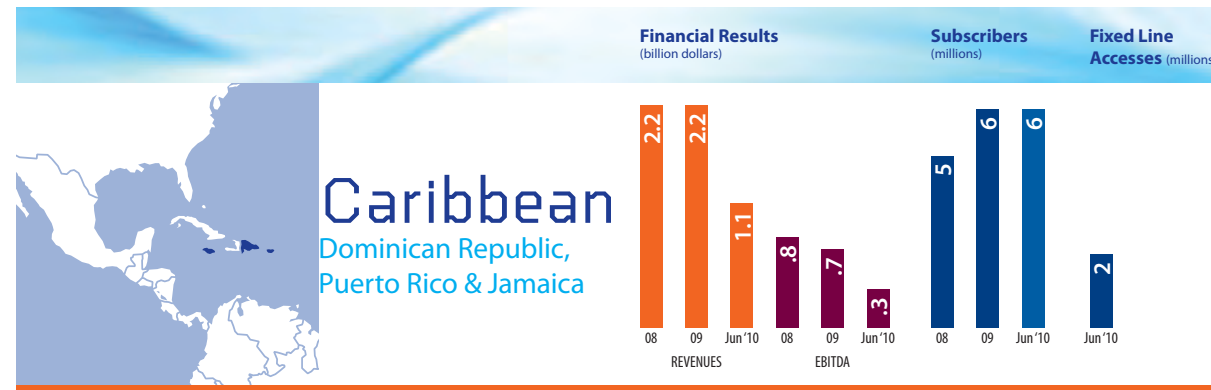
Our operations in Central America—Guatemala, El Salvador, Nicaragua and Honduras—added a total of 377 thousand wireless subscribers in 2009. We finished the period with 9.5 million wireless subscribers, 4.1% more than at the end of 2008. In addition to these, we have a total of 2.3 million landlines in the region.

We generated 1.4 billion dollars of revenues and 585 million dollars of EBITDA. The EBITDA margin stood at 42.9% of revenues.

For over a year we have been selling integrated services in the region, having made important investments in fiber and coaxial cable that enabled us to offer our clients the convenience of quadruple play. Moreover, our 3G network covers 41% of the population in the region.

1H10
Our combined operations added 508 thousand wireless subscribers in the semester. Our wireless subscriber base reached 10 million by the end of June, 7.8% more than the prior year while our postpaid subscriber base shot up 20.4%. In addition to these, we had a total of 2.3 million landlines in the region.

We obtained revenues of 675 million dollars in the period, 0.4% more than a year before. Data revenues were the most dynamic component of service revenues; they posted an annual increase of 45.8% in the period. In the six months to June, we obtained an EBITDA of 256 million dollars, equivalent to 37.9% of revenues.



We gained 1.2 million wireless subscribers in the year to finish December with 6.1 million clients. Our subscriber base grew 25.9%, with our postpaid subs increasing even more rapidly at a pace of 31.5%.

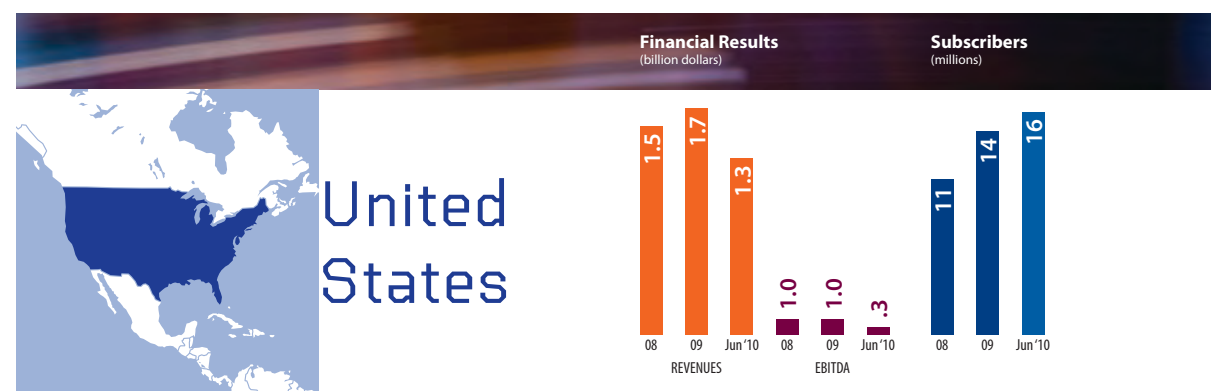
For the full year 2009, revenues added up to 2.2 billion dollars and EBITDA to 686 million dollars. The EBITDA margin for the period stood at 31.9%.

In the Dominican Republic we added television services to our commercial offer. There has been a lot of interest in our integrated services.

1H10
After adding 371 thousand subscribers in the first half we finished June with 6.4 million subscribers, 14.0% more than last year. We also had 1.5 million landlines in the islands.

In the semester revenues added up to 1.1 billion dollars and were 3.7% greater than the year before. Data revenues jumped 47.3% in the period and represent 11.2% of service revenues.

We generated 318 million dollars of EBITDA in the first half with the EBITDA margin just below 30% in the semester.



Trafone added 3.2 million subscribers in 2009 (93% more than a year before) on the successful nationwide launch in over 3,000 WalMart stores of its new product StraightTalk. We finished December with 14.4 million clients as our subscriber base expanded 28.9%.

Total revenues for 2009 were up 14.6% to 1.7 billion dollars, whereas service revenues grew 13.7%. We generated 230 million dollars of EBITDA, which is 14.3% less than in 2008, because of the fast pace of subscriber growth.

1H10
We added 1.5 million new clients in the period to finish June with 15.9 million subscribers, 27.4% more than the prior year.

In the six months to June revenues totaled 1.3 billion dollars and were 66.8% higher than those of last year. We generated 150 million dollars of EBITDA in the period and the margin came in at 11.6%. We generated 318 million dollars of EBITDA in the first half of 2010 with the EBITDA.

Board Members

PATRICK SLIM DOMIT
Chairman and Member of the Executive Committee and Investments Committee
Principal Occupation: Director of Grupo Carso, S.A.B. de C.V., Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. and alternate Director of Carso Global Telecom, S.A.B. de C.V. and Telmex.
Born: 1969

DANIEL HAJJ ABOUMRAD
Director and Member of the Executive Committee and Investments Committee
Principal Occupation: Chief Executive Officer of América Móvil, S.A.B. de C.V.
Born: 1966

ALEJANDRO SOBERÓN KURI
Director and Chairman of the Audit Committee and Member of the Investments Committee
Principal Occupation: Chief Executive Officer of Corporación Interamericana de Entretenimiento, S.A.B. de C.V.
Born: 1960

CARLOS BREMER GUTIÉRREZ
Director and Member of the Audit Committee, Compensation Committee and Investments Committee
Principal Occupation: Director of Grupo Financiero Value, S.A. de C.V.
Born: 1960

RAYFORD WILKINS
Director and Member of the Executive Committee and Investments Committee
Principal Occupation: Group President of AT&T, Inc.
Born: 1951

MIKE VIOLA
Director
Principal Occupation: Senior Vice-President Corporate Finance AT&T, Inc.
Born: 1954

ERNESTO VEGA VELASCO
Director and Member of the Audit Committee
Principal Occupation: In retirement. Member of the Board of Directors and Audit, Planning and Finance and Evaluation and Compensation Committees of certain companies
Born: 1937

SANTIAGO COSÍO PANDO
Director
Principal Occupation: President of Grupo Pando, S.A. de C.V.
Born: 1973

PABLO ROBERTO GONZÁLEZ GUAJARDO
Director and Member of the Compensation Committee and Investments Committee
Principal Occupation: Chief Executive Officer of Kimberly Clark de México, S.A.B. de C.V.
Born: 1967

DAVID IBARRA MUÑOZ
Director and Member of the Audit Committee and the Compensation Committee
Principal Occupation: Director of Grupo Financiero Inbursa, S.A.B. de C.V. and Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. Alternate Director of Grupo Carso, S.A.B. de C.V.
Born: 1930

ALEJANDRO CANTÚ JIMÉNEZ, our General Counsel, serves as Corporate Secretary and **RAFAEL ROBLES MIAJA** as Corporate Pro-Secretary.

Directory

América Móvil
Daniel Hajj Aboumrad
Chief Executive Officer
Carlos García Moreno Elizondo
Chief Financial Officer
Carlos Cárdenas Blásquez
Executive Director Latin America Operations
Alejandro Cantú Jiménez
General Counsel

Mexico
Patricia Raquel Hevia Coto
Chief Operating Officer
Salvador Cortés Gómez
Chief Operating Officer
Fernando Ocampo Carapia
Chief Financial Officer

Central America
Julio Carlos Porras
Chief Executive Officer
Enrique Luna Roshard
Chief Financial Officer

Colombia and Panama
Juan Carlos Archila Cabal
Chief Executive Officer
Fernando González Apango
Chief Financial Officer

Ecuador
Alfredo Escobar San Lucas
Chief Executive Officer
Marco Antonio Campos García
Chief Financial Officer

Peru
Humberto Chávez López
Chief Executive Officer
Manuel Navarrete Zavala
Chief Financial Officer

Brazil
Joao Cox
Chief Executive Officer
Joao Alberto Santos
Chief Financial Officer

Chile
Gerardo Muñoz Lozano
Chief Executive Officer
Cristian Serrano Garay
Chief Financial Officer

Argentina, Uruguay & Paraguay
Carlos Zenteno de los Santos
Chief Executive Officer
Daniel De Marco
Chief Financial Officer

Dominican Republic
Oscar Peña Chacón
Chief Executive Officer
Francisco Marmolejo Alcántara
Chief Financial Officer

Puerto Rico
Enrique Ortiz de Montellano Rangel
Chief Executive Officer
Adail Ortiz Santiago
Chief Operating Officer

Jamaica
Alejandro Gutiérrez Olvera Cabrales
Chief Executive Officer
Juan Antonio Escorcia
Chief Operating Officer

United States
F.J. Pollak
Chief Executive Officer
Gustavo Blanco
Executive Director

CEO's Report to the Board of Directors

Mexico City, Mexico. April 7, 2010.

To the Board of Directors of América Móvil, S.A.B. de C.V.

Dear Board Members,

Pursuant to Article 44(XI) of the Securities Market Law, it is my pleasure to submit to you my report of activities as Chief Executive Officer of América Móvil, S.A.B. de C.V. (the "Company" or "América Móvil"), for the year ended December 31, 2009. This report should be read and reviewed in conjunction with the report of the External Auditor dated March 26, 2010, submitted to the shareholders together with the financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2009, a copy of which report is attached hereto.

I hereby report as follows, as with respect to the Company's financial condition, results of operations, net worth and changes therein during 2009:

- (i) Our number of wireless subscribers grew by 18.2 million or 10% with respect to 2008, to 201 million. Including our 3.8 million fixed-line subscribers, as at year's end in 2009 América Móvil had a total of 204.8 million subscribers, which represented a twenty-fold increase with respect to its number of subscribers when it first began operations in 2000.
- (ii) In 2009, we reported total revenues of Ps.395 billion or a 14.2% increase with respect to 2008, attributable to our revenues from our data services, which grew at an annual rate of 53.8% or more than three times as fast as our revenues from services, which increased by 17.1% in 2009.
- (iii) Our operating cash flow grew at a rate of 14.8% in 2009, to Ps.158.9 billion.
- (iv) In 2009, our operating cash flow margin, as a percentage of our revenues, was 40.3%, representing an increase of less than one percent for the year.
- (v) Our operating profit was Ps.104.2 billion in 2009, which represented a 9.1% increase with respect to 2008.
- (vi) The Company's net profit for 2009 was Ps.77 billion.
- (vii) Earnings per share in 2009 were Ps.2.35, or 35% higher than in 2008.
- (viii) Capital expenditures, share repurchases and dividend payments amounted to an aggregate of Ps.95.8 billion, including (i) Ps.45.4 billion in plants and equipment and (ii) Ps.50.4 billion in share repurchases and dividend payments; and
- (ix) We lowered our net debt by Ps.37.9 billion. As a result, our net debt/operating cash flow ratio was only 0.5 (pro forma for the 12-month period), a slight decrease with respect to 2008.

In 2009, our Mexican operations contributed 2.9 million new subscribers, thereby increasing to 59.2 million their number of subscribers as at the year's end. Our Brazilian operations contributed 5.7 million new subscribers, thereby increasing to 44.4 million their number of subscribers. Our operations in Argentina, Paraguay and Uruguay together contributed 1.6 million new subscribers in 2009, thereby increasing to 18.2 million their aggregate number of subscribers. In 2009, our subsidiaries in Colombia and Panama together contributed 0.4 million new subscribers, thereby increasing to 27.8 million their aggregate number of subscribers as at the year's end. Our number of subscribers in Ecuador grew by 1.1 million, to 9.4 million as at year's end in 2009. Our subsidiary in Peru contributed 1.1 million new subscribers, increasing its total number of subscribers to 8.3 million. Our

operations in Chile had 3.6 million subscribers as at year's end. In 2009, our operations in Central America, which are comprised by Guatemala, El Salvador, Nicaragua and Honduras, together contributed 0.4 million new subscribers, thereby increasing their aggregate number of subscribers to 9.5 million. Our Caribbean operations, which are comprised by the Dominican Republic, Puerto Rico and Jamaica, together contributed 1.2 million new subscribers, thereby increasing our subscriber base in the region to 6.1 million, in addition to our 1.5 million fixed-line subscribers therein. Lastly, in 2009 our U.S. subsidiary contributed 3.2 million new customers, thereby increasing its number of subscribers to 14.4 million.

It is noteworthy that in 2009, 100% of our growth in subscribers was attained organically through the expansion of our business operations and market strength.

In 2009, we paid our shareholders dividends in excess of Ps.50.4 billion. The relevance of this fact aside, we continue to believe that our shareholders' confidence and support throughout the Company's material decision-making processes are and will remain invaluable elements of the ongoing expansion of its business.

Lastly, as in previous years, I wish to reiterate my commitment to continue achieving any objectives that we may together set in the best interests of our great Company.

This report is rendered in satisfaction of the requirements set forth in the Securities Market Law and the General Law of Business Corporations. As required by the Securities Market Law, a copy of this report, together with the report of the External Auditor, shall be submitted to the Company's general shareholders' meeting.

Sincerely,



Daniel Hajj Aboumrad
Chief Executive Officer
América Móvil, S.A.B. de C.V.

Opinion and Reports of the Board of Directors to the Shareholders' Meeting

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

Pursuant to Article 28(IV)(c)(d) and (e) of the Securities Market Law and the recommendations contained in the Code of Better Corporate Practices issued by the Business Coordinating Council, the undersigned, on behalf of the Board of Directors of América Móvil, S.A.B. de C.V. (the "Company"), hereby submits the following opinion and reports in connection with the year ended December 31, 2009.

A. Opinion as to the Report of the Chief Executive Officer.

For purposes of Article 28(IV)(c) of the Securities Market Law, the Board of Directors is of the opinion, based upon a series of meetings with the Chief Executive Officer of the Company and the executive officers of the entities controlled by the Company, the explanations submitted by such individuals, and its own review of all the necessary information and documents, and after taking into due consideration the report of the External Auditors and the opinion of the Audit and Corporate Governance Committee, that the report submitted to the shareholders by the Chief Executive Officer of the Company pursuant to Article 44(IX) of the Securities Market Law (the "Report"), which Report is attached hereto, is adequate and sufficient and that (i) the accounting and information policies and criteria followed by the Company are adequate and sufficient given the Company's particular circumstances, (ii) such policies and criteria have been applied in the information submitted by the Chief Executive Officer of the Company, and (iii) based upon (i) and (ii) above, the information submitted by the Chief Executive Officer fairly reflects the Company's financial condition and results of operations.

B. Report pursuant to Article 172(b) of the General Law of Business Corporations as to the Company's accounting policies and criteria.

We have reviewed the financial statements of the Company as of and for the year ended December 31, 2009, the report of the External Auditors, and the accounting policies followed in the preparation thereof, including, as the case may be, any changes therein and the effects thereof.

Based upon the comments provided by the External Auditors, who are required to issue their opinion with respect to the accuracy of the financial statements of the Company and its subsidiaries and their conformity with the applicable Mexican financial reporting standards, and upon the results of its own review of such financial statements, Board of Directors hereby recommends to the shareholders the approval of such financial statements, which fairly present the financial condition of the Company as of December 31, 2009.

The Board of Directors hereby reports, further, that the accounting policies and criteria followed by the Company's management in the preparation of the Company's financial information were reviewed in due course by the Audit and Corporate Governance Committee and were approved by the Board of Directors.

C. Report pursuant to Article 28(IV)(e) of the Securities Market Law as to the operation and activities of the Board of Directors during 2009.

In 2009, the Board of Directors engaged in, among others, the following activities:

- (a) Discussed, reviewed and approved the operating reports submitted by the Chief Executive Officer with respect to, among other things, the principal activities of the Company and its subsidiaries and the business opportunities available in the markets in which they operate;
- (b) Discussed, reviewed and approved the Company's consolidated income statement and balance sheet (prepared in accordance with Mexican financial reporting standards, which were jointly prepared and submitted by the Chief Executive Officer and the Director of Administration and Finance;

- (c) Submitted, discussed, reviewed and approved various growth opportunities and investment and acquisition plans and proposals available to the Company in 2009;
- (d) Analyzed, discussed, reviewed and approved various reports and matters introduced by the Company's executive officers;
- (e) Acknowledged receipt of the information pertaining to the most significant matters associated with the operations of the Company and its subsidiaries;
- (f) Submitted to the shareholders a proposal in connection with the allocation of the Company's profits, and issued notices of the Company's shareholders' meetings;
- (g) Reorganized, transformed and organized certain committees of the Board of Directors;
- (h) Analyzed and discussed various reports and matters submitted by the Company's Audit and Corporate Governance Committee; and
- (i) Approved the Company's preliminary budget for 2010, submitted by the Chief Executive Officer.

Please note that all relevant information pertaining to the activities of the Board of Directors has been disclosed by the Company to the extent required by the applicable laws.

Sincerely,



Patrick Slim Domit
Chairman of the Board of Directors
América Móvil, S.A.B. de C.V.

Mexico City, Mexico. April 7, 2010.

Encl. Report of the Chief Executive Officer of the Company, including the Report of the External Auditor.

Report of the Audit Committee

Mexico City, Mexico. April 7, 2009.

To the Board of Directors of América Móvil, S.A.B. de C.V.

Dear Board Members,

In my capacity as Chairman of the Audit and Corporate Governance Committee of América Móvil, S.A.B. de C.V. (the "Company"), I hereby submit to you the report referred to in Article 43 of the Securities Market Law (the "Law"), on the operations and activities of the Audit and Corporate Governance Committee of the Company during the year ended December 31, 2009.

As you well know, the duties of the Audit and Corporate Governance Committee include, among others, the preparation of a report concerning the status of the internal control systems of the Company and its subsidiaries, including a description of any deficiencies therein, deviations therefrom or aspects thereof requiring improvement, taking into consideration the opinions, reports, communications and directives issued by the external auditors and any independent experts. To such end, during fiscal year 2009 the Audit and Corporate Governance Committee held six (6) meetings, on the following dates: February 10, March 17, May 14, July 7, September 10 and November 10 (the "Meetings"). All Meetings were attended by a majority of the members of the Audit and Corporate Governance Committee, and by the Secretary and/or the Alternate Secretary of the Board of Directors of the Company, who provided assistance and prepared the minutes reflecting all the actions validly taken thereat. In addition, all Meetings were attended by representatives of Mancera, S.C., a member practice of Ernst & Young Global, independent auditors of the Company, the Company's executive officers and, on occasion, depending on the matters to be addressed based upon the relevant agenda, by special guests. It should be noted that all resolutions adopted at the Meetings have been duly recorded in the book maintained to such effect by the Secretary of the Board of Directors of the Company.

The Company's management is responsible for the preparation of the financial statements of the Company in accordance with Mexican financial reporting standards, the preparation, on a timely and adequate fashion, of the Company's financial and other information for its disclosure to the securities markets in which the Company is currently listed, and the implementation of the Company's internal control systems. On its part, the Audit and Corporate Governance Committee, on behalf of the Board of Directors, has reviewed the audited consolidated financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2009. Such review included the analysis and approval of the Company's accounting policies, procedures and practices.

During 2009, the Audit and Corporate Practices Committee carried out the following:

- (a) Reviewed, analyzed and approved the Company's principal accounting policies and certified that in 2009 the Company did not make any changes therein;
- (b) Provided assistance to oversee the satisfaction of the audit services agreements and evaluate the results of the relevant audits;
- (c) Submitted to the Board of Directors recommendations in connection with the basis for the preparation and disclosure of the Company's financial information and its general internal control guidelines;
- (d) Reviewed the status of the internal control and internal audit systems of the Company and its subsidiaries, taking into consideration the effect of such subsidiaries on the Company's general condition. To such end, it reviewed the report of the external auditors and met with them and with various members of the Company's management. Based upon the above, it did not encounter any material deficiency or deviation that may require disclosure, except for those in respect of which appropriate actions had been previously taken and which had been previously disclosed to the Board of Directors and/or the market, as applicable;

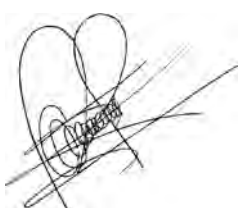
- (e) Implemented such preventive and corrective measures as it deemed necessary to prevent and, as the case may be, penalize the violation of the operating and financial reporting guidelines and policies of the Company and its subsidiaries;
- (f) Approved the management's proposal with respect to the plan to homogenize the external audit tasks and systems for the Company's subsidiaries;
- (g) Performed an evaluation in respect of the services rendered by Mancera, S.C., a member practice of Ernst & Young Global, independent auditors of the Company, and concluded that such services were satisfactory. It obtained confirmation from such auditors as to their independent status, and conducted interviews with such auditors in order to verify the satisfaction of the independency and turnover requirements applicable to their personnel;
- (h) Reviewed, together with the Company's external auditors, the analysis and comments issued and the nature and scope of the procedures employed by the latter during the course of the auditing process, so as to ensure their objectivity and the usefulness, timeliness and reliability of the financial information;
- (i) Met on a regular basis with the Company's internal and external auditors in order to hear their comments and observations regarding their work progress, thereby fostering an increased coordination between the external auditors and the Company's management;
- (j) Held follow-up meetings with the Company's management in order to ensure the observance of the risk control mechanisms applicable to the Company;
- (k) Reviewed and evaluated the results of the tests applied in respect of the control systems established to ensure compliance with the provisions of Section 404 of the Sarbanes-Oxley Act;
- (l) Addressed and resolved the various requests for approval submitted by the Department of Administration and Finance in connection with the professional fees payable to the Company's tax advisors;
- (m) Reviewed and discussed the reports of the external auditors with respect to the results of the Company's audit as of December 31, 2009;
- (n) Reviewed the various reports submitted by the Department of Administration and Finance with respect to the implementation and testing of the Company's internal control mechanisms;
- (o) Reviewed the financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2009, the auditors' report thereon and the accounting policies followed in the preparation thereof. Based on the input of the external auditors, who are required to render their opinion as to the accuracy of the Company's financial statements and their conformity with Mexican financial reporting standards, it recommended to the Board of Directors the approval of such financial statements for submission to the Company's general shareholders' meeting;
- (p) Reviewed and analyzed various related-party transactions, determined which such transactions required disclosure in the notes to the Company's financial statements, and recommended to the Board of Directors the approval of those such transactions that it deemed appropriate;
- (q) Oversaw the execution of the resolutions adopted by the shareholders' meeting and the Board of Directors of the Company;

- (r) Reviewed, evaluated and approved various fee proposals submitted by Mancera, S.C., a member practice of Ernst & Young Global, independent auditors of the Company, in connection with certain supplemental, non-audit services rendered thereby, ensuring that the amount of such fees would not compromise their independent status. Further, it reviewed the services rendered by the independent experts retained by the Company, based upon the information disclosed thereby;
- (s) Reviewed and analyzed the report of the Board of Directors on the status of the Company's corporate affairs, including the status of the Company's legal documentation;
- (t) Did not recommend to the Board of Directors, or exercised any of its own powers and authorities in connection with, the granting of any waiver pursuant to Article 28(III)(f) of the Securities Market Law, to any director, executive officer or other person in a position of command;
- (u) Held various meetings with the Company's management to discuss and decide upon the convenience of the Company preparing and reporting its financial information in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) ahead of the date prescribed by the amendment to the general provisions applicable to all issuers of securities and other participants in the securities market, published in the Official Gazette on January 27, 2009;
- (v) Authorized the payment of an extraordinary compensation to certain executive officers of the Company in connection with their performance in 2009. Such compensations were determined based upon various criteria that included their seniority, productivity, performance and ethical and professional standards; and
- (w) Reviewed the principal items of the Company's annual budget.

Finally, as you may know, the Board of Directors, during its meeting held September 10, 2009, resolved to transform the Company's Audit Committee into a committee responsible not only for providing support in connection with auditing matters but also with respect to the Company's corporate governance practices, including, without limitation, the duties set forth in the Law, and to entrust thereto all necessary powers to review, approve and execute all actions associated with the Company's audit, compensation and corporate governance practices.

This report is rendered pursuant to the provisions contained in the Law, taking into consideration the comments provided by the Company's executive officers.

Very truly yours,



Alejandro Soberón Kuri
Chairman of the Audit Committee
América Móvil, S.A.B. de C.V.

Financial Summary

Operating Result	1H2010*	2009	2008	2007	2006	2005
Service Revenues	176,409	349,138	298,150	266,336	202,731	159,859
Equipment Revenues	23,139	45,573	47,505	45,244	40,274	36,779
Total Revenues	199,548	394,711	345,655	311,580	243,005	196,638
Cost of Sales	84,187	165,040	146,025	132,374	113,445	97,419
SG&A Expenses	31,109	72,380	62,316	53,605	40,378	39,554
EBITDA	84,251	157,291	137,313	125,600	89,183	59,665
EBITDA Margin	42.2%	39.8%	39.7%	40.3%	36.7%	30.3%
Depreciation & Amortization	25,972	53,082	41,767	40,406	27,884	22,955
Operating Income	58,280	104,209	95,546	85,194	61,299	36,710
Operating Margin	29.2%	26.4%	27.6%	27.3%	25.2%	18.7%
Comprehensive Financing (Cost) Income, net	(4,429)	(2,982)	(13,865)	(387)	(28)	(2,790)
Other (Loss) Income, net	0	(2,166)	(2,327)	(3,713)	484	(442)
Income before Taxes	53,851	99,061	79,354	81,094	61,755	33,478
Provisions for Income Tax	18,230	22,259	19,888	22,454	17,018	305
Income before Equity Participation in Results of Affiliates	35,621	76,802	59,466	58,640	44,736	33,173
Income (Loss) before Minority Interest	35,642	76,998	59,575	58,697	44,509	33,127
Minority Interest	(36)	(84)	(90)	(110)	(88)	(74)
Net Income (Loss)	35,606	76,913	59,486	58,588	44,422	33,053

Balance Sheet

Cash Cash Equivalents	154,740	27,456	22,092	11,972	45,102	14,420
Accounts Receivable net	48,910	55,919	52,771	44,756	38,027	33,507
Other Current Assets	27,433	24,723	38,623	23,951	25,269	17,868
Current Assets	231,083	108,098	113,486	80,679	108,398	65,795
Property Plant and Equipment	210,458	227,049	209,897	167,084	143,090	120,734
Investments in Affiliates	105,416	975	790	590	581	524
Deferred Assets and other	108,405	116,886	111,283	100,768	76,256	62,118
Total Assets	655,362	453,008	435,455	349,121	328,325	249,171
Short Term Debt	7,841	9,168	26,731	19,953	26,214	22,176
Accounts Payable	103,301	97,087	90,867	72,892	60,830	58,465
Other Current Liabilities	33,108	34,002	30,197	23,214	33,032	18,391
Current Liabilities	144,251	140,257	147,796	116,058	120,076	99,031
Long Term Debt	218,907	101,741	116,755	84,799	89,038	68,346
Other Long term Liabilities	24,876	33,105	25,980	21,406	5,465	3,885
Total Liabilities	388,034	275,102	290,531	222,264	214,578	171,262
Total Stockholders Equity	267,328	177,906	144,925	126,858	113,747	77,909
Sum of Total Stockholders Equity and Total Liabilities	655,362	453,008	435,455	349,121	328,325	249,171

* Beginning on January of 2010, América Móvil's financial statements are presented in accordance to International Financial Reporting Standards (IFRS) both at the consolidated and subsidiary levels. The move towards IFRS is mandatory for all Mexican listed companies, which are obliged to adopt them by January 1st, 2012 at the latest. The main change regarding the income statement is that revenues are now presented net of commissions to postpaid distributors and the cost of loyalty programs. Financial Information for the other years was prepared under Mexican GAAP.

CONSOLIDATED FINANCIAL STATEMENTS

*Years ended December 31, 2009 and 2008 with Report of Independent
Registered Public Accounting Firm.*

CONTENTS	
Report of Independent Auditors	37
Audited Financial Statements:	
Consolidated Balance Sheets	38
Consolidated Statements of Income	39
Consolidated Statements of Changes in Stockholders' Equity	40
Consolidated Statements of Changes in Financial Position	42
Consolidated Statement of Cash Flows	43
Notes to Consolidated Financial Statements	44
Consolidated Financial Statements (not audited) for the period January-June 2010	75
Glossary of Terms	80

Report of Independent Auditors

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

We have audited the accompanying consolidated balance sheets of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2008 and 2009, and the related consolidated statements of income and changes in shareholders' equity for each of the three years in the period ended December 31, 2009 and the consolidated statement of changes in financial position for the year ended December 31, 2007, as well as the consolidated statements of cash flows for each of the two years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of TracFone Wireless, Inc., a consolidated subsidiary, whose assets accounted for approximately 1% of total consolidated assets at December 31, 2008 and approximately 5% of total consolidated operating revenues for each of the two years in the period ended December 31, 2008. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TracFone Wireless, Inc., is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted 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 Mexican Financial Reporting Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards used and significant estimates made by management, as well as evaluating the overall financial statement presentation (including the Company's conversion of the financial statements of TracFone Wireless, Inc. to Mexican Financial Reporting Standards). We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2008 and 2009, and the consolidated results of their operations and changes in their shareholders' equity for each of the three years in the period ended December 31, 2009, and the changes in their consolidated financial position for the year ended December 31, 2007, as well as their consolidated statement of cash flows for each of the two years in the period ended December 31, 2009, in conformity with Mexican Financial Reporting Standards.

As mentioned in Note 2 a), f) and z.1) to the financial statements, as of January 1, 2008, the Company adopted the new Mexican Financial Reporting Standards B-10, Effects of Inflation, B-15, Translation of Foreign Currencies, and B-2, Statements of Cash Flows, with the effects described therein.

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

Omero Campos Segura

Mexico City, Mexico
March 8, 2010

Consolidated Balance Sheets

(In thousands of Mexican pesos)	At December 31,	
	2008	2009
ASSETS		
Current assets:		
Cash and cash equivalents	Ps. 22,092,139	Ps. 27,445,880
Accounts receivable, net (Note 4)	52,770,676	55,918,984
Derivative financial instruments (Note 10)	3,125,214	8,361
Related parties (Note 16)	1,052,796	468,096
Inventories, net (Note 5)	31,805,142	21,536,018
Other current assets, net (Note 6)	2,639,912	2,720,983
Total current assets	113,485,879	108,098,322
Plant, property and equipment, net (Note 7)	209,896,820	227,049,009
Licenses, net (Note 8)	43,098,985	42,582,531
Trademarks, net (Note 8)	5,010,539	3,974,527
Goodwill, net (Note 8)	44,696,281	45,805,279
Investments in affiliates and others (Note 9)	789,612	974,693
Deferred taxes (Note 18)	9,296,367	15,908,795
Other non-current assets, net (Note 6)	9,180,987	8,614,805
Total assets	Ps. 435,455,470	Ps. 453,007,961
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt (Note 13)	Ps. 26,731,355	Ps. 9,167,941
Accounts payable and accrued liabilities (Note 12)	90,867,401	97,086,585
Taxes payable	14,612,465	16,716,549
Related parties (Note 16)	922,254	1,045,155
Deferred revenues	14,662,631	16,240,451
Total current liabilities	147,796,106	140,256,681
Long-term liabilities:		
Long-term debt (Note 13)	116,755,093	101,741,199
Deferred taxes (Note 18)	14,621,075	22,282,245
Employee benefits (Note 11)	11,358,647	10,822,273
Total liabilities	290,530,921	275,102,398
Shareholders' equity (Note 17):		
Capital stock	36,532,481	36,524,423
Retained earnings:		
From prior years	29,261,187	38,952,974
Current year	59,485,502	76,913,454
	88,746,689	115,866,428
Accumulated other comprehensive income items	18,988,897	24,782,273
Total majority shareholders' equity	144,268,067	177,173,124
Non-controlling interest	656,482	732,439
Total shareholders' equity	144,924,549	177,905,563
Total liabilities and shareholders' equity	Ps. 435,455,470	Ps. 453,007,961

Consolidated Statements of Income

(In thousands of Mexican pesos, except for earnings per share and weighted-average number of shares outstanding)	For the year ended December 31,		
	2007	2008	2009
Operating revenues:			
Services:			
Air time	Ps. 87,522,245	Ps. 99,258,566	Ps. 118,949,020
Interconnection	58,554,255	60,371,865	60,557,856
Monthly rent	59,551,717	66,805,611	75,585,846
Long-distance	20,348,067	20,624,128	23,301,403
Value added services and other services	40,359,659	51,089,479	70,743,490
Sales of handsets and accessories	45,243,819	47,505,259	45,573,416
	311,579,762	345,654,908	394,711,031
Operating costs and expenses:			
Cost of sales and services	132,373,998	146,025,037	165,039,738
Commercial, administrative and general expenses	53,605,408	62,316,415	72,380,031
Depreciation and amortization (Notes 7 and 8) (includes Ps. 29,389,162, Ps. 30,047,363 and Ps. 38,187,412 for the years ended December 31, 2007, 2008 and 2009, respectively, not included in cost of sales and services)	40,406,018	41,767,309	53,082,307
	226,385,424	250,108,761	290,502,076
Operating income	85,194,338	95,546,147	104,208,955
Other expenses, net	(3,712,874)	(2,326,959)	(2,165,584)
Comprehensive result of financing:			
Interest income	2,960,265	2,414,390	1,691,929
Interest expense	(7,696,967)	(8,950,562)	(7,410,314)
Exchange gain (loss), net	2,463,442	(13,686,423)	4,556,571
Monetary gain, net	5,038,406	—	—
Other financing (cost) income, net	(3,152,631)	6,357,722	(1,820,110)
	(387,485)	(13,864,873)	(2,981,924)
Equity interest in net income of affiliates	57,621	109,416	195,714
Income before taxes on profits	81,151,600	79,463,731	99,257,161
Taxes on profits (Note 18)	22,454,267	19,888,337	22,259,308
Net income	Ps. 58,697,333	Ps. 59,575,394	Ps. 76,997,853
Distribution of the net income:			
Majority interest	Ps. 58,587,511	Ps. 59,485,502	Ps. 76,913,454
Non-controlling interest	109,822	89,892	84,399
Net income	Ps. 58,697,333	Ps. 59,575,394	Ps. 76,997,853
Weighted average number of common shares outstanding (in millions)	35,149	34,220	32,738
Earnings per share	Ps. 1.67	Ps. 1.74	Ps. 2.35

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended December 31, 2007, 2008 and 2009
(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings		Accumulated other comprehensive income items	Majority shareholders' equity	Non-controlling interest	Comprehensive income	Total shareholders' equity
			Unappropriated	Total					
Balance at December 31, 2006 (Note 17)	Ps. 36,555,398	Ps. 482,925	Ps. 89,590,018	Ps. 90,072,943	Ps. (13,565,675)	Ps. 113,062,666	Ps. 684,137		Ps. 113,746,803
Non-controlling interest related to current year acquisitions			(6,604)	(6,604)		(6,604)	(13,187)		(19,791)
Dividends declared at Ps. 0.20 and Ps. 1 per share (historical)			(42,127,537)	(42,127,537)		(42,127,537)			(42,127,537)
Repurchase of shares	(3,359)		(12,853,079)	(12,853,079)		(12,856,438)			(12,856,438)
Comprehensive income:									
Net income for the period			58,587,511	58,587,511		58,587,511	109,822	Ps. 58,697,333	58,697,333
Other comprehensive income items:									
Effect of translation of foreign entities					10,143,715	10,143,715	(141,953)	10,001,762	10,001,762
Result from holding non-monetary assets, net of deferred taxes					(579,243)	(579,243)	(5,119)	(584,362)	(584,362)
Comprehensive income for the year								Ps. 68,114,733	
Balance at December 31, 2007 (Note 17)	36,552,039	482,925	93,190,309	93,673,234	(4,001,203)	126,224,070	633,700		126,857,770
Effect of adopting Mexican FRS B-10, net of deferred tax			(13,771,039)	(13,771,039)	13,771,039				
Dividends declared at Ps. 0.26 per share (historical)			(8,904,997)	(8,904,997)		(8,904,997)			(8,904,997)
Repurchase of shares	(19,558)		(41,736,011)	(41,736,011)		(41,755,569)			(41,755,569)
Comprehensive income:									
Net income for the period			59,485,502	59,485,502		59,485,502	89,892	Ps. 59,575,394	59,575,394
Other comprehensive income items:									
Effect of translation of foreign entities, net of deferred tax					9,219,061	9,219,061	(67,110)	9,151,951	9,151,951
Comprehensive income for the year								Ps. 68,727,345	
Balance at December 31, 2008 (Note 17)	36,532,481	482,925	Ps. 88,263,764	Ps. 88,746,689	Ps. 18,988,897	Ps. 144,268,067	Ps. 656,482		Ps. 144,924,549
Dividends declared at Ps. 0.30 and Ps. 0.50 per share			(25,979,049)	(25,979,049)		(25,979,049)			(25,979,049)
Asset tax write-off	(8,058)		(24,697,658)	(24,697,658)		(24,705,716)			(24,705,716)
Repurchase of shares			882,992	882,992		882,992			882,992
Comprehensive income:									
Net income for the period			76,913,454	76,913,454		76,913,454	84,399	Ps. 76,997,853	76,997,853
Other comprehensive income items:									
Effect of translation of foreign entities, net of deferred tax					5,793,376	5,793,376	(8,442)	5,784,934	5,784,934
Comprehensive income for the year								Ps. 82,782,787	
Balance at December 31, 2009 (Note 17)	Ps. 36,524,423	Ps. 482,925	Ps. 115,383,503	Ps. 115,866,428	Ps. 24,782,273	Ps. 177,173,124	Ps. 732,439		Ps. 177,905,563

Consolidated Statement of Changes in Financial Position

(In thousands of Mexican pesos)	For the year ended December 31, 2007	
Operating activities		
Net income	Ps.	58,697,333
Add (deduct) items not requiring the use of resources:		
Depreciation		31,162,660
Amortization		7,670,961
Amortization of loss on sale and leaseback		1,572,397
Deferred income tax and deferred employee profit sharing		4,659,365
Loss on marketable securities		1,384,418
Equity interest in net income of affiliates		(57,621)
Net cost of labor obligations		456,095
		<u>105,545,608</u>
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable		(4,265,886)
Inventories		(896,364)
Other assets		(943,209)
(Decrease) increase in:		
Accounts payable and accrued liabilities		10,136,210
Related parties		(991,389)
Financial instruments		(740,769)
Deferred revenues and credits		36,809
Taxes payable		(8,800,706)
Marketable securities		1,499,381
Resources provided by operating activities		<u>100,579,685</u>
Financing activities		
New loans		33,287,331
Repayment of loans		(46,008,892)
Effect of exchange rate differences and variances in debt expressed in constant pesos		(4,161,387)
Decrease in capital stock and retained earnings due to purchase of Company's own shares		(12,856,438)
Dividend declared		(42,127,537)
Resources used in financing activities		<u>(71,866,923)</u>
Investing activities		
Investment in plant, property and equipment		(38,854,801)
Investment in subsidiaries and affiliates		42,130
Instruments available for sale		(789,100)
Minority interest		(160,259)
Acquisitions, net of cash acquired		(19,464,035)
Investments in trademarks		26,811
Investment in licenses		(499,145)
Resources used in investing activities		<u>(59,698,399)</u>
Net decrease in cash and cash equivalents		<u>(30,985,637)</u>
Cash and cash equivalents at beginning of year		42,957,756
Cash and cash equivalents at end of year	Ps.	<u>11,972,119</u>

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)	For the year ended December 31, 2008		2009	
Operating activities				
Income before taxes on profits	Ps.	79,463,731	Ps.	99,257,161
Items not requiring the use of cash:				
Depreciation		32,677,429		42,953,356
Amortization of intangible assets		7,471,679		8,160,235
Amortization of loss on sale and leaseback		1,618,201		1,968,716
Impairment in the value of long-lived assets		739,853		-
Equity interest in net income of affiliates		(109,416)		(195,714)
Loss (gain) on sale of fixed assets		141,278		(403,031)
Net period cost of labor obligations		734,636		779,705
Exchange loss (gain), net		11,979,839		(840,300)
Accrued interest receivable		(2,241,926)		(1,963,537)
Accrued interest payable		8,950,562		7,410,314
Other financing expenses, net		(2,605,594)		(1,838,672)
Cost of sale of financial instruments		(46,014)		-
Changes in operating assets and liabilities:				
Financial instruments		65,800		-
Accounts receivable		(5,299,903)		(7,599,026)
Interest collected		2,241,926		1,963,537
Prepaid expenses		(888,241)		(197,274)
Related parties		(14,719)		707,600
Inventories		(9,361,512)		8,479,369
Other assets		(143,908)		(124,900)
Accounts payable and accrued liabilities		(13,888,254)		8,403,243
Taxes paid		(21,702,646)		(16,839,757)
Employee profit sharing paid		(672,457)		(1,132,677)
Financial instruments		(2,156,946)		2,869,210
Deferred revenues		1,001,969		1,568,963
Labor obligations		(491,359)		(577,567)
Net cash flows provided by operating activities		<u>87,464,008</u>		<u>152,808,954</u>
Investing activities				
Acquisition of plant, property and equipment		(26,943,957)		(53,213,700)
Acquisition of licenses		(13,736,502)		(485)
Fixed asset sales		75,538		556,704
Business acquisitions, net of cash		(479,090)		-
Net cash flows used in investing activities		<u>(41,084,011)</u>		<u>(52,657,481)</u>
Net cash flows before financing activities		<u>46,379,997</u>		<u>100,151,473</u>
Financing activities				
Loans obtained		61,810,010		26,776,298
Repayment of loans		(41,487,985)		(62,720,695)
Interests paid		(8,105,142)		(8,551,023)
Repurchase of shares		(41,632,608)		(24,657,808)
Payment of dividends		(8,815,570)		(25,462,328)
Net cash flows used in financing activities		<u>(38,231,295)</u>		<u>(94,615,556)</u>
Net increase in cash and cash equivalents		8,148,702		5,535,917
Adjustment to cash flow for exchange rate differences		1,971,318		(182,176)
Cash and cash equivalents at beginning of the period		11,972,119		22,092,139
Cash and cash equivalents at end of the period	Ps.	<u>22,092,139</u>	Ps.	<u>27,445,880</u>

Notes to Consolidated Financial Statements

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

1 Description of Business

América Móvil, S.A.B. de C.V. and subsidiaries (collectively, the “Company” or “América Móvil”) provides wireless and fixed communications services in Latin America and in the Caribbean. América Móvil obtains its revenues primarily from telecommunications services, including the sale of airtime (including interconnection under the calling party pays program), monthly rent, long-distance charges, and other services (including roaming, value added services and other service charges), as well as the proceeds from the sale of cellular phones and accessories.

América Móvil has authorization, licenses, permits and concessions (hereinafter collectively referred to as “licenses”) to build, install, operate and use both public and private telecommunications networks and provide telecommunication services (mostly mobile and fixed-line telephony) in the countries in which the Company has presence (except for in the U.S.). These licenses will expire at various times from 2012 through 2046.

Such licenses require the payment to the respective governments of a share in sales determined as a percentage of revenues from services under concession. The percentage is set as either a fixed rate or in some cases based on the size of the infrastructure in operation (except for Guatemala and El Salvador).

Equity investments in subsidiaries and affiliated companies

At December 31, 2008 and 2009, América Móvil’s equity interest in its principal subsidiaries and affiliated companies is as follows:

Company	Country	% equity interest at December 31	
		2008	2009
Subsidiaries:			
AMX Tenedora, S.A. de C.V.	Mexico	100.0%	100.0%
AMOV Canadá, S.A.	Mexico	100.0%	100.0%
Compañía Dominicana de Teléfonos, C. por A. (Codetel)	Dominican Republic	100.0%	100.0%
Sercotel, S.A. de C.V. (Sercotel)	Mexico	100.0%	100.0%
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries (Telcel)			
Telecomunicaciones de Puerto Rico, Inc. ⁽¹⁾	Puerto Rico	100.0%	100.0%
Puerto Rico Telephone Company, Inc.	Puerto Rico	100.0%	100.0%
PRT Larga Distancia, Inc.	Puerto Rico	100.0%	100.0%
Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras)	Honduras	100.0%	100.0%
AMX USA Holding, S.A. de C.V.	Mexico	100.0%	100.0%
TracFone Wireless, Inc. (TracFone)	U.S.A.	98.2%	98.2%
AM Telecom Américas, S.A. de C.V.	Mexico	100.0%	100.0%
Claro Telecom Participacoes, S.A.	Brazil	100.0%	100.0%
Amerigel, S.A.	Brazil	99.3%	99.3%
Claro, S.A. (formerly BCP, S.A.)	Brazil	99.9%	99.9%
América Central Tel, S.A. de C.V. (ACT)	Mexico	100.0%	100.0%
Telecomunicaciones de Guatemala, S.A. (Telgua)	Guatemala	99.2%	99.2%
Empresa Nicaragüense de Telecomunicaciones, S.A. (Enitel)	Nicaragua	99.5%	99.5%
Estesa Holding Corp. ⁽¹⁾	Panama	100.0%	100.0%
Cablenet, S.A. ⁽¹⁾	Nicaragua	100.0%	100.0%
Estaciones Terrenas de Satélite, S.A. (Estesa) ⁽¹⁾	Nicaragua	100.0%	100.0%
AMX El Salvador, S.A. de C.V.	Mexico	100.0%	100.0%
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (CTE)	El Salvador	95.8%	95.8%
CTE Telecom Personal, S.A. de C.V. (Personal)	El Salvador	95.8%	95.8%
Cablenet, S.A. (Cablenet)	Guatemala	95.8%	95.8%
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	95.8%	95.8%
Telecom Publicar Directorios, S.A. de C.V. (Publicom)	El Salvador	48.8%	48.8%

Company	Country	% equity interest at December 31	
		2008	2009
Comunicación Celular, S.A. (Comcel)	Colombia	99.4%	99.4%
AMX Santa Lucía, Inc. ⁽¹⁾⁽²⁾	Santa Lucía	100.0%	99.4%
Oceanic Digital Jamaica, Ltd. ⁽¹⁾⁽²⁾	Jamaica	100.0%	99.4%
Claro Panamá, S.A. ⁽⁴⁾	Panama	100.0%	99.4%
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0%	100.0%
AMX Argentina Holdings, S.A.	Argentina	100.0%	100.0%
AMX Argentina, S.A. ⁽³⁾	Argentina	100.0%	100.0%
AMX Wellington Gardens, S.A. de C.V. ⁽³⁾	Mexico	100.0%	100.0%
Widcombe, S.A. de C.V. ⁽³⁾	Mexico	100.0%	100.0%
AMX Paraguay, S.A. ⁽³⁾	Paraguay	100.0%	100.0%
AM Wireless Uruguay, S.A.	Uruguay	100.0%	100.0%
Claro Chile, S.A.	Chile	100.0%	100.0%
América Móvil Perú, S.A.C.	Peru	100.0%	100.0%
Affiliated companies:			
Grupo Telvista, S.A. de C.V.	Mexico	45.0%	45.0%

⁽¹⁾ Companies acquired in 2007 and 2008 (see Note 9).

⁽²⁾ On November 28, 2008, Sercotel, S.A. de C.V. sold 100% of its shares in AMX Santa Lucía, Inc. to Comunicación Celular, S.A. As a result, the Company’s equity interest in AMX Santa Lucía, Inc. and Oceanic Digital Jamaica, Ltd. decreased from 100% to 99.4% in both companies.

⁽³⁾ On December 29, 2008, Sercotel, S.A. de C.V. sold 100% of its shares in Wellington Gardens, S.A. de C.V. and Widcombe, S.A. de C.V. to AMX Argentina, S.A. As a result, AMX Argentina, S.A. now indirectly holds 100% of the shares of AMX Paraguay, S.A.

⁽⁴⁾ This company started up operations in the second half of 2009. The reduction in equity interest was due to Sercotel’s capital withdrawal, which diluted its holding in the subsidiary.

The subsidiaries mentioned above provide mobile telephony services. In addition to mobile telephony services, Telgua, CTE, Enitel, Estesa, Codetel and Puerto Rico provide, among other telecommunication services, fixed-line telephone services.

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 mobile carriers throughout the United States.

On March 8, 2010, América Móvil’s General Director, Legal Director and Finance Director authorized the issuance of the accompanying consolidated Mexican Financial Reporting Standards (Mexican FRS) financial statements and these notes at December 31, 2007, 2008 and 2009 and for each of the three years in the period ended December 31, 2009. On March 9, 2010 these financial statements were approved by the Audit Committee and the Board of Directors.

2 Summary of Significant Accounting Policies and Practices

The consolidated financial statements have been prepared in conformity with Mexican Financial Reporting Standards, issued by the Mexican Financial Reporting Standards Research and Development Board (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C.* or CINIF). The principal accounting policies and practices followed by the Company in the preparation of these consolidated financial statements are described below:

a) Consolidation and basis of translation of financial statements of foreign subsidiaries

i) Consolidation and equity method

The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those of its subsidiaries. The financial statements of the subsidiaries have been prepared for the same accounting period and follow the same accounting principles as those of the Company. All the companies operate in the telecommunications sector or provide services to companies operating in this sector.

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

Equity investments in affiliated companies over which the Company exercises significant influence are accounted for using the equity method, which basically consists of recognizing América Móvil’s proportional share in the net income or loss and the shareholders’ equity of the investee.

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

ii) Basis of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries and affiliates, which in the aggregate account for approximately 59%, 61% and 64% of the Company’s total operating revenues for 2007, 2008 and 2009, respectively, and approximately 75% and 85% of the Company’s total assets at December 31, 2008 and 2009, are either consolidated or accounted for based on the equity method, as the case may be, after their financial statements have first been adjusted to conform to Mexican Financial Reporting Standards in the corresponding functional currency and have then been translated to the reporting currency.

The financial statements of the subsidiaries and affiliates located abroad were translated into Mexican pesos, as follows:

Effective January 1, 2008, the Company adopted the MFRS B-15, *Foreign Currency Translation*. Consequently, the financial statements as reported by the foreign subsidiaries and affiliates are converted to conform to Mexican Financial Reporting Standards in the local currency, and subsequently translated into the reporting currency. Since none of the Company’s subsidiaries or affiliates operates in an inflationary environment, except for Argentina and Nicaragua; and the local currencies are its functional currencies, the financial statements prepared under Mexican Financial Reporting Standards reported by the subsidiaries and affiliates abroad in the local currency are translated as follows:

- all monetary assets and liabilities are translated at the prevailing exchange rate at year-end;
- all non-monetary assets and liabilities are translated at the prevailing exchange rate at year-end;
- shareholders’ equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated;
- revenues, costs and expenses are translated using the average exchange rate;
- translation differences are recorded in shareholders’ equity in the line item Effect of translation of foreign entities under “Accumulated other comprehensive income items”; and
- the statement of cash flows was translated using the weighted average exchange rate and the difference is presented in the statement of cash flows under the caption “Adjustment to cash flow for exchange rate differences”.

Through December 31, 2007, the financial statements as reported by the foreign subsidiaries were converted to conform to Mexican Financial Reporting Standards in the local currency, and subsequently restated to constant monetary values based on the inflation rate of the country in which the subsidiary operates. Under this method, all assets and liabilities were translated at the prevailing exchange rate at year-end; shareholders equity accounts were translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated; income statement amounts were translated at the prevailing exchange rate at the end of the year being reported on; exchange rate variances and effect of intercompany monetary items were recorded in the consolidated statements of income; and translation differences were recorded in shareholders' equity in the line item Effect of translation of foreign entities under "Accumulated other comprehensive income items". For the years ended December 31, 2007, 2008 and 2009, the gain on translation was Ps. 10,001,762, Ps. 12,044,547 and Ps. 13,236,787, respectively

The statement of changes in financial position for the year ended December 31, 2007 was prepared based on the financial statements expressed in constant Mexican pesos. The source and application of resources represent the differences between beginning and ending financial statement balances in constant Mexican pesos. Monetary and foreign exchange gains and losses are not considered as "items not requiring the use of resources" in the statement of changes in financial position.

b) Revenue recognition

Revenues are recognized at the time services are provided and when the probability of their collection is reasonably assured. Mobile telecommunications services are provided either under prepaid (calling cards), or post payment (agreement) plans, or both. In all cases, airtime revenues are recognized as a customer uses the airtime or when the card expires in the case of prepayments or for unused airtime.

Monthly basic rent under post-paid plans is billed in arrears based on the plan and package rates approved and correspond to services rendered, except in Mexico and Colombia, where basic monthly rent is billed one month in advance. Revenues are recognized at the time services are provided. Billed revenues for the service not yet rendered are recognized as deferred revenues.

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

Long-distance charges refer to airtime used in receiving from or making calls to regions or coverage areas outside of the area where the customer service is activated. The related revenues are recognized at the time the service is provided.

Roaming charges represent airtime charged to customers for making or receiving calls outside their coverage areas or abroad. The related revenues are recognized at the time the service is provided based on the rates agreed upon by our subsidiaries with other domestic and international carriers.

Value added services and other services include voice services and data transmission services (such as two-way and written messages, call information, ring tones, emergency services, among others). Revenues from such services are recognized at the time they are provided or when the services are downloaded.

Sales of handsets and accessories, which for the most part are made to authorized distributors, are recorded as revenue when a) the products are delivered and accepted by the distributor, b) distributors do not have a right to return the product and c) probability of collection is reasonably assured.

Discounts granted on the sale of cellular equipment to wholesalers, retailers and department store chains are recognized as reductions in the price of the phone.

Telgua, ENITEL, CTE, Codetel and Puerto Rico's revenues from telephone line installation fees (net of related costs) are deferred and recognized over the estimated average life of the customer.

The Company usually does not charge activation fees for its mobile telephony services; however, in certain regions, depending on the particular market, certain activation fees are charged. The Company recognizes revenues from these fees when billed. These revenues are not deferred because they are not significant to the Company's financial statements.

c) Cost of cellular telephone equipment

The cost related to cellular telephone equipment is recognized in the statements of income at the time the corresponding income is recognized. Shipping and handling costs for wireless handsets sold to distributors are classified as costs of sales.

d) Network interconnection costs, long distance costs and rent paid for use of infrastructure

These costs represent the costs of outgoing calls from the Company's cellular networks to other carriers' network, the costs of link-ups between fixed and cellular networks, long-distance charges and rent paid for use of infrastructure (links, ports and measured usage), as well as the message exchange between operators, all of which are recognized as costs at the time the service is received.

e) Commissions paid to distributors

Commissions paid with respect to the activation of postpaid customers are recognized as expenses at the time the new customer is activated in the system and may begin using the Company's cellular network.

Loyalty and sales volumes commissions are accrued on a monthly basis based on statistical information regarding customer retention, sales volume and the number of acquired customers by each distributor. Loyalty commissions are paid to distributors for customers that remain for a specified period of time, and sales volume commissions are paid at the time the distributor reaches certain ranges of activated customers.

f) Recognition of the effects of inflation

Mexican FRS B-10, Effects of Inflation, which became effective on January 1, 2008, requires that once it has been confirmed that the economic environment in which the Company operates has changed from inflationary to non-inflationary as of the beginning of the period, the Company should cease to recognize the effects of inflation. The Company currently operates in a non-inflationary economic environment because the cumulative inflation rate in Mexico over the past three years was 15.01% (11.56% in 2008).

The financial statements for the years ended December 2009 and 2008 are expressed in nominal pesos, except for those non-monetary items that include inflation effects at December 31, 2007 and current pesos due to the changes realized subsequent to that date.

Capital stock and retained earnings were restated for inflation through December 31, 2007 based on the Mexican National Consumer Price Index (NCPI).

Through December 31, 2007, the deficit from restatement of shareholders' equity consists of the accumulated monetary position gain at the time the provisions of Bulletin B-10 were first applied, which was Ps. 19,327, and of the result from holding non-monetary assets, which represents the difference between restatement by the specific indexation method and restatement based on the NCPI. At December 31, 2007, the Ps. 14,562,294 balance of this item is included in shareholders equity under the caption "Accumulated other comprehensive income items". In conformity with Mexican FRS B-10, since it was impractical to identify the result from holding non-monetary assets with the items giving rise to them, the cumulative result from holding non-monetary assets, together with the initial effect from the adoption of Bulletin B-10 net of Ps. 771,928 of deferred taxes, was reclassified to retained earnings.

The net monetary position gain shown in the 2007 income statement represents the effect of inflation on monetary assets and liabilities and is included as part of the caption "Comprehensive result of financing".

g) Cash and cash equivalents

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

h) Investments in financial instruments

Investments in financial instruments have been classified either as trading, marketable securities or available-for-sale marketable securities. All investments are represented by equity securities and are recognized at market value. Changes in the fair value of instruments classified as trading securities are recognized in results of operations. Changes in the market value of instruments classified as available-for-sale are included in shareholders' equity until they are sold.

Should there be objective and lasting evidence of impairment in the value of either its instruments available-for-sale or held to maturity, the Company determines the amount of the related loss and recognizes such loss as part of the comprehensive financing income (cost). For the year ended December 31, 2007, since the loss on fair value of securities available-for-sale was other than temporary, the Company included an impairment loss of Ps. 1,362,900 in the statement of income. For the years ended December 31, 2008 and 2009, there were no impairment losses on marketable securities.

i) Allowance for doubtful accounts

The Company recognizes periodically in its results of operations an allowance for doubtful accounts for its portfolios of postpaid customers, distributors and network operators (basically for interconnection fees). The allowance is based primarily on past write-off experience and on the aging of accounts receivable balances, as well as management's estimates as to when dispute proceedings with operators will be resolved.

Collection policies and procedures vary by the type of credit extended, the payment history of customers and the age of the unpaid calls.

The risk of uncollectibility from intercompany receivables is evaluated annually based on an examination of each related party's financial situation and the markets in which they operate.

j) Inventories

Cellular equipment inventories are initially recognized at historical acquisition cost, and valued using the average-cost method.

k) Business acquisitions and goodwill

Business and entity acquisitions are recorded using the purchase method and until 2008, the acquisition of non-controlling interest is considered a transaction between entities under common control and any difference between the purchase price and the book value of net assets acquired is recognized as an equity transaction. Effective January 1, 2009, in conformity with Mexican FRS B-7, Business Combinations, if the acquisition of non-controlling interest is made at fair value, the purchase price is also recognized based on the fair value of the net assets acquired.

Goodwill represents the difference between the acquisition price and the fair value of the net assets acquired at acquisition date.

Goodwill is recorded initially at acquisition cost and up to December 31, 2007 was restated using adjustment factors derived from the NCPI. Goodwill is no longer amortized, but rather is subject to annual impairment valuations at the end of each year, or during the year if there are indications of impairment.

Impairment losses are recognized when the carrying amount of goodwill exceeds its recovery value. The Company determines the recovery value of goodwill based on its perpetuity value, which is computed by dividing the average excess in the value in use of the cash generating unit where the intangible is identified, by the average of the appropriate discount rates used in the projection of the present value of cash flows from the cash generating unit.

For the year ended December 31, 2007, there were no goodwill impairment losses recognized by the Company.

For the year ended December 31, 2008, the Company recognized a loss of Ps. 527,770 from impairment in the value of goodwill. Such loss was included in the statement of income as part of the caption Other expenses, net. This impairment was originated by the subsidiary in Honduras.

For the year ended December 31, 2009, there were no impairment losses recorded.

l) Telephone plant, property and equipment

Effective January 1, 2008, purchases of plant, property and equipment are recorded at acquisition cost. Through December 31, 2007, plant, property and equipment and construction in progress acquired abroad were restated based on the rate of inflation of the respective country of origin and the prevailing exchange rate at the balance sheet date (specific indexation factors), while plant, property and equipment of domestic origin were restated based on the NCPI.

Depreciation is computed on restated values using the straight-line method based on the estimated useful lives of the related assets, starting the month after the assets are put to use.

Annual depreciation rates are as follows:

Telephone plant	10% to 33%
System-performance monitoring equipment included in telephone plant	33%
Buildings	3%
Other assets	10% to 25%

As of January 1, 2007, the Company adopted the provisions of Mexican FRS D-6, *Capitalization of the Comprehensive Cost of Financing*, establishing that entities must capitalize comprehensive financing cost (CFC), which corresponds to net interest expense, exchange differences, the monetary position result and other financial costs related to the acquisition of the telephone plant.

The comprehensive cost of financing incurred during the building and installation period is capitalized and was restated up to December 31, 2007 using the NCPI. The net effect of the capitalization of such cost in 2007 was an increase in net income in 2007 of Ps. 1,158,576 (Ps. 834,175 net of taxes), Ps. 7,053,951 (Ps. 5,289,244 net of taxes) in 2008 and Ps. 1,626,731 (Ps. 1,127,202 net of taxes) in 2009.

The value of plant, property and equipment is reviewed on an annual basis to verify whether there are indicators of impairment. When the recovery value of an asset, which is the greater of its selling price and value in use (the present value of future cash flows), is lower than its net carrying value, the difference is recognized as an impairment loss.

During the year ended December 31, 2007, the Company wrote-off the remaining carrying value of its telephone plant that utilizes TDMA technology in Colombia and Ecuador due to its obsolescence. This write-down was made after considering both technological obsolescence of TDMA in those specific geographies and also other economic and operational considerations. The write-off amounted to Ps. 2,735,000 and has been included as a component of the caption Other expenses, net in the accompanying 2007 consolidated statement of income. The Company also began to accelerate TDMA depreciation in Brazil (see Note 7).

For the year ended December 31, 2008, the Company recognized a loss of Ps. 113,422 from impairment in the value of the telephone plant recorded in the consolidated balance sheet. Such loss was included in the statement of operations as part of the caption Other expenses, net.

For the year ended December 31, 2009, there were no impairment losses recognized.

m) Licenses and trademarks

Effective January 1, 2008, the Company records licenses at acquisition cost. Through December 31, 2007, licenses were restated based on the rate of inflation of each country.

Licenses to operate wireless telecommunications networks are accounted for at cost, or at fair value at the business acquisition date. Licenses are being amortized using the straight-line method over periods ranging from 15 to 40 years, which correspond to the usage period of each license.

Trademarks are recorded at their values in use at the date acquired, as determined by independent appraisers, and are amortized using the straight-line method over a ten-year period.

The carrying values of intangible assets with definite useful lives are reviewed annually and whenever there are indications of impairment in such values. When the recovery value of an asset, which is the greater of its selling price and value in use (the present value of future cash flows), is lower than its net carrying amount, the difference is recognized as an impairment loss.

Intangible assets with indefinite useful lives, including those that are not yet available for use and intangibles with definite useful lives whose amortization period exceeds 20 years from the date they were available for use, are tested for impairment at the end of each year.

At December 31, 2008, the Company recognized a loss of Ps. 98,661 from impairment in the value of licenses recorded in the consolidated balance sheet and recognized the loss in the statement of income as part of the caption Other expenses, net. This impairment was originated by the subsidiary in Honduras.

For the years ended December 31, 2007 and 2009, there were no impairment losses recognized.

n) Leases

- Sale and leaseback

The Company entered into sales and leaseback agreements that meet the conditions for consideration as financial leases. Such agreements give rise to losses derived from the difference between the asset's sale price and its value in books that result in the recognition of deferred charges that are being amortized based on the remaining useful life of the related assets at the time of sale.

- Operating leases

Rent paid under operating leases is recognized in results of operations as it accrues.

- Financial leases

Lease arrangements are recognized as capital leases if (i) the ownership of the leased asset is transferred to the lessee upon termination of the lease; (ii) the agreement includes an option to purchase the asset at a reduced price; (iii) the term of the lease is substantially the same as the remaining useful life of the leased asset; or (iv) the present value of minimum lease payments is substantially the same as the market value of the leased asset, net of any benefit or scrap value.

o) Transactions in foreign currencies

Transactions in foreign currency are recorded at the prevailing exchange rate at the time of the related transactions. Foreign currency denominated assets and liabilities are translated at the prevailing exchange rate at the balance sheet date. Exchange differences determined from such date to the time foreign currency denominated assets and liabilities are settled or translated at the balance sheet date are charged or credited to operations, except for those arising on foreign currency denominated loans for the construction of fixed assets, as such costs are capitalized as comprehensive financing costs during the construction stage.

See Note 14 for the Company's consolidated foreign currency position at the end of each year and the exchange rates used to translate foreign currency denominated balances.

p) Accounts payable and accrued liabilities

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

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

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

q) Employee benefits

In Radiomóvil Dipsa, S.A. de C.V. and in Telecomunicaciones de Puerto Rico, S.A., the Company has established defined benefit pension plans. These plans require the valuation and recognition of the accumulated effects of retirement and post-retirement labor obligations. Such effects are determined based on actuarial studies using the projected unit-credit method.

In Consorcio Ecuatoriano de Telecomunicaciones S.A. (subsidiary in Ecuador), the Company has an individual capitalization pension plan, whereby it purchases a single-premium deferred annuity from an insurance company, for which the Company only makes a yearly premium payment. In accordance with Mexican FRS D-3, this plan falls under the category of a defined contribution plan and thus, only the net period cost of the plan must be disclosed.

Seniority premiums are paid to personnel of the Mexican subsidiaries as required by Mexican labor law. Also under Mexican labor law, the Company is liable for certain benefits accruing to workers who leave or are dismissed in certain circumstances.

The Company recognizes annually the cost for pension benefits, seniority premiums and termination payments based on independent actuarial computations applying the projected unit-credit method, using real rates (financial hypotheses net of inflation). The latest actuarial computation date was prepared as of December 31, 2009.

In conformity with the labor laws of the rest of the countries in which the Company operates, there are no statutory defined benefit plans or compulsory defined contribution structures for companies. However, the foreign subsidiaries make contributions to national pension, social security and severance plans in accordance with the percentages and rates established by the applicable laws.

Such contributions are made to bodies designated by each government and are recorded in results of operations as direct labor benefits as they are incurred or when the contribution is made.

Effective January 1, 2008, the Company adopted Mexican FRS D-3, *Employee Benefits*, which replaced Mexican accounting Bulletin D-3, Labor Obligations. The adoption of Mexican FRS D-3 did not have an effect on the Company's financial position or results of operation.

Actuarial gains and losses are amortized over the estimated average remaining working lifetime of Company employees, which is 20 years.

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

r) Employee profit sharing

Current-year employee profit sharing is presented under the caption "Commercial, administrative and general expenses" in the income statement.

Beginning January 1, 2008, in connection with the adoption of Mexican FRS D-3, Employee Benefits, the Company recognized deferred employee profit sharing using the asset and liability method. Under this method, deferred profit sharing is computed by applying the 10% rate (Mexico and Peru) and 15% (Ecuador) to all differences between the book and tax values of all assets and liabilities. At December 31, 2008 and 2009, the amounts were not significant.

Through December 31, 2007, deferred employee profit sharing was determined only on temporary differences in the reconciliation of current year net income to taxable income for employee profit sharing purposes, provided there was no indication that the related liability or asset would not be realized in the future.

s) Taxes on profits

Current year taxes on profits are presented as a short-term liability, net of prepayments made during the year.

The Company determines deferred taxes on profits based on the asset and liability method established in Mexican FRS D-4, *Taxes on Profits*. Under this method, deferred taxes on profits are recognized on all differences between the financial reporting and tax bases of assets and liabilities, including effects of translation, applying the enacted income tax rate or the flat-rate business tax rate ("FRBT", applicable only in Mexico), as the case may be, effective as of the balance sheet date, or the enacted rate at the balance sheet date that will be in effect when the temporary differences giving rise to deferred tax assets and liabilities are expected to be recovered or settled.

The Company periodically evaluates the possibility of recovering deferred tax assets and if necessary, creates a valuation allowance for those assets that are not more likely than not to be realized.

Effective January 1, 2008, asset tax paid in excess of income tax in Mexico is treated as a tax credit, while through December 31, 2007, asset tax was recorded as part of deferred income tax. In both cases, an evaluation of its future realization is performed.

As a result of the adoption of Mexican FRS D-4 in 2008, the Company recognized deferred taxes in the amount of Ps. 2,825,486 for the effects of translation of foreign companies at December 31, 2008. Such amount is presented in a shareholders' equity item as part of the caption "Accumulated other comprehensive income items".

t) Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2007, 2008 and 2009, advertising expenses aggregated to Ps. 7,175,663, Ps. 8,520,506 and Ps. 9,932,119, respectively.

u) Comprehensive income

Comprehensive income consists of the net income for the year plus the following items that are reflected directly in shareholders' equity: the effect of translation of financial statements of foreign entities, the effect of current year deferred taxes, and other items different from net income.

At December 31, 2008 and 2009, an analysis of accumulated other comprehensive income items other than net income is as follows:

	2008	2009
Effect of translation of foreign entities	Ps. 21,814,383	35,051,170
Deferred taxes	(2,825,486)	(10,268,897)
	Ps. 18,988,897	Ps. 24,782,273

v) Earnings per share

The Company determined earnings per share by dividing net majority income by the weighted average number of shares issued and outstanding during the period. In determining the weighted average number of shares issued and outstanding, shares acquired by repurchases by the Company have been excluded.

w) Use of estimates

The preparation of financial statements in conformity with Mexican Financial Reporting Standards requires the use of estimates and assumptions. Actual results could differ from these estimates.

x) Concentration of risk

The Company's principal financial instruments consist of bank loans, derivative financial instruments, financial leases and accounts payable. The Company has other financial assets, such as accounts receivable, prepaid expenses and short-term deposits, that are directly related to its business.

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

Credit risk represents the potential loss from the failure of counterparties to completely comply with their contractual obligations. The Company is also exposed to market risks related to fluctuations in interest rates and exchange rates. To reduce the risks related to fluctuations in exchange rates, the Company uses derivative financial instruments.

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and cash equivalents, trade accounts receivable, and debt and derivative financial instruments. The Company's policy is designed to not restrict its exposure to any one financial institution; therefore, the Company's financial instruments are maintained in different financial institutions located in different geographical areas.

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

A portion of excess cash is invested in time deposits in financial institutions with strong credit ratings.

The Company operates internationally and is therefore exposed to market risks related to fluctuations in exchange rates.

The Company relies on several key suppliers. Approximately 21%, 32% and 31% of the Company's aggregate interconnection expenditures for the years ended December 31, 2007, 2008 and 2009, respectively, represented services rendered by one supplier; approximately 75%, 70% and 66%, respectively, of the aggregate cost of cellular telephone equipment for such periods represented purchases from three suppliers; and approximately 58%, 54% and 39%, respectively, 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.

y) Derivative financial instruments

The Company is exposed to interest rate and foreign currency risks, which are mitigated through a controlled risk management program that includes the use of derivative financial instruments. In order to reduce the risks due to exchange rate fluctuations, the Company utilizes swaps, cross currency swaps and forwards to fix exchange rates to the liabilities being hedged; however, since the Company has not formally documented the hedging relationship, it does not apply hedge accounting rules to its derivative financial instruments.

Derivative financial instruments are recognized in the balance sheet at their fair values, which are obtained from the financial institutions with which the Company has entered into the related agreements. Changes in the fair value of derivatives are recognized in results of operations.

z) Statement of income presentation

Costs and expenses in the Company's income statement are presented on a combined basis between their nature and function, which allows operating income levels to be shown, since such classification allows the captions to be compared with other companies in the Telecommunications industry.

The "Operating income" caption is shown in the statement of income since it is an important indicator used for evaluating the Company's operating results. Operating income consists of ordinary revenues and operating costs and expenses and thus excludes other income (expenses), net. This presentation is comparable to the one used in the financial statements at and for the years ended December 31, 2007 and 2008.

z.1) Mexican FRS B-2 Cash Flows

Mexican FRS B-2 replaced Mexican accounting Bulletin B-12, *Statement of Changes in Financial Position*. Accordingly, the statement of cash flows substituted the statement of changes in financial position. The main differences between both statements lie in the fact that the statement of cash flows shows the entity's cash inflows and outflows during the period, while the statement of changes in financial position shows the changes in the entity's financial structure. Also, the statement of cash flows presents first income before taxes on profits, followed by cash flows from operating activities, then cash flows from investing activities and finally cash flows from financing activities.

The statements of cash flows for the years ended December 31, 2008 and 2009 were prepared using the indirect method. The statement of cash flows is not comparable to the statement of changes in financial position that is presented for the year ended December 31, 2007.

z.2) Operating segments

Segment information is prepared based on information used by the Company in its decision-making processes based on the geographical areas in which América Móvil operates.

z.3) New accounting pronouncements that became effective in 2009**Mexican FRS B-7, Business Combinations**

In December 2008, the CINIF issued Mexican FRS B-7, which became effective for fiscal years beginning on or after January 1, 2009. Mexican FRS B-7 replaced Mexican accounting Bulletin B-7, *Business Combinations*.

Both Mexican FRS B-7 and Mexican accounting Bulletin B-7 require the application of the purchase method for the recognition of business combinations. However, unlike Mexican accounting Bulletin B-7, this standard: (i) requires that the total net assets acquired and consideration paid to be valued at fair value; and (ii) requires that all of the costs incurred in a business combination be recognized in the operating results of the acquiring entity. As a result of this change, it was clarified that goodwill must be determined for both the controlling (majority) interest and the non-controlling (minority) interest, the latter of which must be valued at fair value.

In certain cases, this standard allows transactions between entities under common control to be treated as business combinations, unlike Mexican accounting Bulletin B-7, which requires such transactions, without exception, to be stated at book value. Regarding business combinations carried out in stages, this standard also clarifies that the values recognized in the balance sheet of the buyer for its investment, net of any depreciation, amortization or impairment adjustments, are to be considered as part of the consideration paid (and not at their fair value), when determining goodwill at the time control is acquired over the investee.

Finally, Mexican FRS B-7 also clarifies that the recognition of push-down adjustments to the financial statements of the acquired entity is not applicable in Mexico and provides no transitory guidance in this regard.

The Company did not have business acquisitions in 2009, and thus the adoption of this standard had no impact on the Company's financial statements

Mexican FRS B-8, Consolidated and Combined Financial Statements

Mexican FRS B-8, which is effective for fiscal years beginning on or after January 1, 2009. Mexican FRS B-8 replaces Mexican accounting Bulletin B-8, *Consolidated and Combined Financial Statements and the Valuation of Long-Term Equity Investments*. Mexican FRS B-8 establishes the overall guidelines for preparing and presenting consolidated or combined financial statements, and transfers the guidance related to accounting for long-term equity investments to Mexican FRS C-7.

The most important amendments, changes or additions to this standard are as follows:

Unlike Mexican accounting Bulletin B-8, Mexican FRS B-8 does not require sub-holding companies to present consolidated financial statements under certain circumstances. In such cases, the investments in subsidiaries of these intermediary holding companies are accounted for using the equity method.

This standard establishes that to determine the existence of control, the Company must consider any potential voting rights held that might be exercised or converted, regardless of management's actual intention and financial capacity to exercise such rights.

This standard also includes guidelines for the accounting treatment of special purpose entities and, upon adoption, abolishes the supplementary application of SIC 12, *Consolidation - Special Purpose Entities*. Mexican FRS B-8 establishes that specific purpose entities over which the Company exercises control must be consolidated, irrespective of their business purpose or line of business.

This standard establishes that changes in equity interest that do not cause loss of control must be recognized as transactions between shareholders; therefore, any difference between the book value of the equity investment sold or acquired and the value of the consideration paid must be recognized in shareholders' equity.

The adoption of this standard did not have an impact on the Company's consolidated financial statements since there was no change in control, the Company has no special purpose entities and did not acquire any subsidiaries.

Mexican FRS C-7, Investments in Affiliates and Other Permanent Investments

Mexican FRS C-7 modifies the guidelines for the accounting recognition of investments in affiliates contained in Mexican accounting Bulletin B-8, *Consolidated and Combined Financial Statements and the Valuation of Long-Term Equity Investments*. Under the new standard, significant influence is considered to exist when an entity holds an equity interest of more than 10% in the case of publicly traded entities, and 25% in the case of unlisted entities. This standard establishes that in determining the existence of control, any potential exercisable or convertible voting rights held must be taken into account. Mexican FRS C-7 establishes the guidelines for determining the existence of significant influence in the case of SPEs and provides a specific procedure for recognizing the accumulated losses incurred by affiliates.

This standard requires the financial statements of affiliates to be prepared under the same Mexican FRS as those of the controlling company, which eliminates the possibility of recognizing the equity interest in regulated affiliates using financial statements prepared under the specific accounting standards for their sectors.

The adoption of this standard did not have an impact on the Company's consolidated financial statements.

Mexican FRS C-8, Intangible Assets

This standard replaces Mexican accounting Bulletin C-8, *Intangible Assets*, for fiscal years beginning on January 1, 2009.

Unlike Mexican accounting Bulletin C-8, this standard establishes that separability is not the only condition necessary to determine that an intangible asset is identifiable. Mexican FRS C-8 also provides additional guidance on the accounting recognition of intangible assets acquired through exchange transactions and eliminates the presumption that the useful life of an intangible asset could not exceed twenty years. Furthermore, the standard adds the requirement of an accelerated amortization period as a condition for impairment and modifies the definition of pre-operating costs.

The adoption of this standard did not have an impact on the Company's consolidated financial statements.

The most important new accounting pronouncements that will become effective in 2010 are as follows:

Mexican FRS C-1, Cash and Cash Equivalents

Mexican FRS C-1 was issued by the CINIF in November 2009 to replace Mexican accounting Bulletin C-1, Cash, and is effective for fiscal years beginning on or after January 1, 2010. The principal changes compared to the old Mexican accounting Bulletin C-1 are as follows:

- Under this standard, cash and cash equivalents are required to be grouped together.
- Mexican FRS C-1 establishes that restricted cash and cash equivalents must be presented in the cash and cash equivalents caption in the statement of financial position, rather than separately.
- This standard substitutes the term "short-term demand investments" with the new term "liquid demand investments".
- Mexican FRS C-1 also defines the following terms: acquisition costs, cash equivalents, restricted cash and cash equivalents, liquid demand investments, net realizable value, nominal value and fair value.

The Company does not believe that the adoption of this new accounting standard will have a material effect on the valuation of its cash and cash equivalents and that it will only give rise to changes in the names of certain items.

The most important new accounting pronouncements that will become effective in 2011 are as follow:

Mexican FRS B-5, Financial Information by Segment

In November 2009, the CINIF issued Mexican FRS B-5, which is effective for fiscal years beginning on or after January 1, 2011. Mexican FRS B-5 will replace Mexican accounting Bulletin B-5.

Mexican FRS B-5 establishes the criteria for identifying the segments to be reported by an entity, as well as the standards for disclosing the financial information of such segments. The standard also contains the requirements applicable to the disclosure of certain information related to the entity as a whole.

The principal changes compared to Mexican accounting Bulletin B-5 are as follows:

Information to be disclosed - Mexican FRS B-5 is management-focused, since the segment information disclosures it requires refer to the information used by the entity's most-senior business decision makers. Mexican FRS B-5 also requires the disclosure of information related to entity's products, geographic regions, customers and suppliers.

Business risks - In identifying operating segments, this standard does not require that different areas of the business necessarily be subject to different risks.

Segments in the pre-operating stage - Under Mexican FRS B-5, the different areas of a business in its pre-operating stage may be classified as operating segments.

Disclosure of financial results - This standard requires disclosure of interest income and expense, as well as the other comprehensive financing items.

Disclosure of liabilities - Mexican FRS B-5 requires disclosure of the liabilities included in the regular information for the operating segment that is habitually used by the entity's most-senior business decision makers.

Mexican FRS B-9, Interim Financial Information

In November 2009, the CINIF issued Mexican FRS B-9, which is effective for fiscal years beginning on or after January 1, 2011. Mexican FRS B-9 will replace Mexican accounting Bulletin B-9.

Mexican FRS B-9 establishes that interim financial information must contain, as a minimum for each interim period, the following comparative financial statements:

- Condensed statement of financial position
- Condensed income statement or statement of activities, as applicable
- Condensed statement of changes in shareholders' equity
- Condensed statement of cash flows
- Notes to financial statements with select disclosures

Mexican FRS B-9 requires the interim financial information at the end of a period to be compared to the information at the closing of the immediately prior equivalent period (except for the statement of financial position), which makes it necessary to also include a comparison with the statement at the immediately prior annual closing date.

z.4) Reclassifications

Certain captions shown in the 2007 financial statements as originally issued have been reclassified for uniformity of presentation with the 2008 and 2009 financial statements

	As originally issued 2007	Reclassification	As reclassified 2007
Statement of income:			
Depreciation and amortization ⁽¹⁾	40,818,281	(412,263)	40,406,018
Commercial, administrative and general expenses ⁽¹⁾	53,193,145	412,263	53,605,408

⁽¹⁾ Reclassification of amortization of prepaid expenses in 2007

3**Investments in Financial Instruments**

At December 31, 2008 and 2009, the Company does not have a financial instruments portfolio.

However, at December 31, 2007, the net unrealized loss on for-trading securities was Ps. 2,441. The net realized gain was Ps. 29,604 and Ps. 19,786 for the years ended December 31, 2007 and 2008, respectively. All such valuation results are recognized in results of operations.

As a result of the loss in the market value of the securities of the issuer U.S. Commercial (USCO), in 2007, the Company recorded an other than temporary loss of Ps. 1,362,900 in its results of operations under the other financing costs, net caption. In December 2007, USCO's shares were transferred to the Carso Foundation (a related party) as a charitable donation.

4**Accounts Receivable**

a) An analysis of accounts receivable is as follows:

	December 31	
	2008	2009
Subscribers	Ps. 24,815,416	Ps. 24,289,422
Distributors	10,233,726	13,588,162
Cellular operators for interconnections of networks and other facilities including the "Calling Party Pays" program	9,713,659	10,746,263
Recoverable taxes	9,967,980	10,433,259
Sundry debtors	3,465,030	4,347,480
	58,195,811	63,404,586
Less: Allowance for doubtful accounts of customers and distributors and cellular operators	(5,425,135)	(7,485,602)
Net	Ps. 52,770,676	Ps. 55,918,984

b) An analysis of activity in the allowance for doubtful accounts for the years ended December 31, 2007, 2008 and 2009 is as follows:

	2007	2008	2009
Balance at the beginning of the period	Ps.(4,324,981)	Ps.(6,044,433)	Ps.(5,425,135)
Increase through charge to expenses	(4,642,250)	(5,676,033)	(5,700,276)
Applications to the allowance	3,192,832	6,950,478	3,963,895
Effect of translation	(270,034)	(655,147)	(324,086)
Balance at the end of the period	Ps.(6,044,433)	Ps.(5,425,135)	Ps.(7,485,602)

5**Inventories**

An analysis of inventories at December 31, 2008 and 2009 is as follows:

	December 31	
	2008	2009
Cellular telephones, accessories, cards and other materials	Ps. 33,035,047	\$ 23,195,148
Less:		
Reserve for obsolete and slow-moving inventories	(1,229,905)	(1,659,130)
Total	Ps. 31,805,142	\$ 21,536,018

6**Other Assets**

a) An analysis of other assets at December 31, 2008 and 2009 is as follows:

	December 31	
	2008	2009
Current assets:		
Prepaid expenses (including advertising, insurance and maintenance)	Ps. 2,353,677	Ps. 2,281,290
Other	286,235	439,693
	Ps. 2,639,912	Ps. 2,720,983
Non-current assets:		
Recoverable taxes	Ps. 1,082,370	1,982,292
Sale and leaseback of the telephone plant	5,706,564	3,503,068
Advances to related parties for use of fiber optic	748,701	883,102
Prepaid expenses	1,643,352	2,246,343
Total	Ps. 9,180,987	Ps. 8,614,805

From 2003 to 2008 the Company sold part of its telephone plant to unrelated parties for Ps. 7,875,591 and then leased back the plant under financial leaseback agreements. The losses incurred on such transactions are being amortized based on the remaining useful lives of the assets at the time of sale.

Amortization expense for the years ended December 31, 2007, 2008 and 2009 was Ps. 2,706,612, Ps. 1,618,201 and Ps. 1,968,716, respectively.

7**Plant, Property and Equipment**

a) An analysis of plant, property and equipment at December 31, 2008 and 2009 is as follows:

	December 31,	
	2008	2009
Telephone plant and equipment	Ps. 320,141,371	Ps. 371,426,995
Land and buildings	21,148,304	22,268,890
Other assets	39,713,303	51,486,555
	381,002,978	445,182,440
Less: Accumulated depreciation	(204,323,681)	(249,140,213)
Net	176,679,297	196,042,227
Construction in progress and advances to equipment suppliers	30,361,241	28,091,540
Inventories, primarily for use in the construction of the telephone plant	2,856,282	2,915,242
Total	Ps. 209,896,820	Ps. 227,049,009

b) At December 31, 2008 and 2009, plant, property and equipment include the following assets held under capital leases:

	2008	2009
Assets under capital leases	Ps. 3,046,236	Ps. 2,230,216
Accumulated depreciation	(1,254,925)	(1,046,156)
	Ps. 1,791,311	Ps. 1,184,060

c) Depreciation expense for the years ended December 31, 2007, 2008 and 2009 was

Ps. 31,162,660, Ps. 32,677,429 and Ps. 42,953,356, respectively.

d) Given the speed in which important breakthroughs and changes in telecommunications equipment technology arise, the Company reevaluates periodically the estimated useful life of its telephone plant and adjusts the plant's remaining useful life accordingly. In 2007, the Company increased the depreciation rate of TDMA technology and certain other assets primarily in Brazil and Colombia. This change in estimate was made to better reflect the technological advances of telecommunications equipment and other operational decisions. The effect of the depreciation rate increase was a Ps. 5,796,000 increase in depreciation for 2007. In 2008 the Company did not change the estimated useful life of its telephone plant.

In 2009, the subsidiary in Brazil prospectively increased the depreciation rate of its GSM telephone plant on a prospective basis. Such increase represented an additional charge of Ps. 4,461,748 to depreciation expense for 2009.

e) The most relevant information used in determining the capitalized comprehensive financing cost is as follows:

	2008	2009
Amounts invested during the year in the acquisition of qualifying assets	Ps. 30,700,024	Ps. 29,803,816
Capitalized comprehensive financing cost	7,053,951	1,626,731
Capitalization rate	23%	5%

This amount is amortized over a period of seven years, which is the estimated useful life of the plant.

f) An analysis of the comprehensive financing cost for the year is as follows:

	December 31	
	2008	2009
Total comprehensive financing cost accrued	Ps. (20,918,824)	Ps. (4,608,655)
Capitalized amount	7,053,951	1,626,731
Total comprehensive financing cost	Ps. (13,864,873)	Ps. (2,981,924)

Intangible Assets

An analysis of intangible assets at December 31, 2008 and 2009 is as follows:

	December 31, 2008				
	Balance at beginning of year	Acquisitions	Amortization expense	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses	Ps. 37,888,804	Ps. 13,736,514			Ps. 51,625,318
Effect of translation	21,959,899			Ps. (528,923)	21,430,976
Accumulated amortization	(23,284,399)		Ps. (6,574,249)		(29,858,648)
Impairment of the year			(98,661)		(98,661)
Net	Ps. 36,564,304	Ps. 13,736,514	Ps. (6,672,910)	Ps. (528,923)	Ps. 43,098,985
Trademarks	Ps. 10,816,751				Ps. 10,816,751
Effect of translation	(808,845)			Ps. 306,815	(502,030)
Accumulated amortization	(4,406,752)		Ps. (897,430)		(5,304,182)
Net	Ps. 5,601,154		Ps. (897,430)	Ps. 306,815	Ps. 5,010,539
Goodwill	Ps. 47,942,225	Ps. 452,302			Ps. 48,394,527
Effect of translation	2,546,423			Ps. 46,877	2,593,300
Accumulated amortization	(5,763,776)				(5,763,776)
Impairment of the year			Ps. (527,770)		(527,770)
Net	Ps. 44,724,872	Ps. 452,302	Ps. (527,770)	Ps. 46,877	Ps. 44,696,281

	December 31, 2009				
	Balance at beginning of year	Acquisitions	Amortization expense	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses	\$ 51,625,318	\$ 485			\$ 51,625,803
Effect of translation	21,430,976			\$ 6,758,840	28,189,816
Accumulated amortization	(29,858,648)		\$ (7,275,779)		(37,134,427)
Impairment of the year	(98,661)				(98,661)
Net	\$ 43,098,985	\$ 485	\$ (7,275,779)	\$ 6,758,840	\$ 42,582,531
Trademarks	\$ 10,816,751				\$ 10,816,751
Effect of translation	(502,030)			\$ (151,556)	(653,586)
Accumulated amortization	(5,304,182)		\$ (884,456)		(6,188,638)
Net	\$ 5,010,539		\$ (884,456)	\$ (151,556)	\$ 3,974,527
Goodwill	\$ 48,394,527				\$ 48,394,527
Effect of translation	2,593,300			\$ 1,108,998	3,702,298
Accumulated amortization	(5,763,776)				(5,763,776)
Impairment of the year	(527,770)				(527,770)
Net	\$ 44,696,281		\$ 1,108,998	\$ 45,805,279	

a) A description of the principal changes in the caption licenses at December 31, 2008 is as follows:

In May 2008, the Company announced that Conecel had been notified by the Consejo Nacional de Telecomunicaciones de Ecuador that it had accepted Conecel's proposal and payments terms regarding the license renewal for a period of 15 years. Conecel made an initial fixed payment of US\$ 289 million (Ps. 4,003,439) to the Ecuadorian government for the new 15-year concession and will subsequently make payments determined at 3.93% of the gross revenues on the services awarded.

On May 7, 2008, the Company was awarded the bid to provide mobile voice services as well as data and video transmission services (PCS) in Panama. The license obtained by its subsidiary in Panama, Claro Panamá, S.A., grants the right to use and exploit 30 MHz in the 1900 MHz band over a period of 20 years. The amount paid by the Company for such license was US\$ 86 million (Ps. 895,626).

The Company acquired a license to operate 20 MHz of additional spectrum in five regions in Brazil and 30 MHz of additional spectrum in six regions in such country. The amount paid by the Company in April 2008 for these new rights aggregated to Ps. 8,830,124 (approximately 1.4 billion Brazilian reais).

Investments in Affiliates and Others

An analysis of this caption at December 31, 2008 and 2009 is as follows:

	2008		2009	
Investments in:				
Associates (Grupo Telvista, S.A. de C.V.)	Ps.	721,044	Ps.	898,871
Other investments		68,568		75,822
Total	Ps.	789,612	Ps.	974,693

I. Investments in subsidiaries

During 2007 and 2008, the Company made a number of investments in subsidiaries which are described as follow:

The Company considered appraisals from independent experts to determine the fair value of the net assets acquired. An analysis of the acquisition price of the net assets acquired per company based on fair values at the acquisition date is as follows:

- 2008 Acquisitions

	Estesa Holding	
Current assets	Ps.	44,224
Fixed assets		147,627
Other assets		1,612
Less:		
Total liabilities		160,559
Fair value of net assets acquired		32,904
% of equity acquired		100%
Net assets acquired		32,904
Amount paid		485,206
Goodwill generated	Ps.	452,302

a) In August 2008, the Company acquired 100% of the shares of Estesa Holding Corp., a cable television and broadband platform service provider for homes and businesses in Nicaragua. The amount paid for the acquisition was Ps. 485,206 (US\$US4 47,841). The Company plans to use this acquisition to strengthen its position in the telecommunications market in Central America.

- 2007 Acquisitions

	Telecomunicaciones de Puerto Rico, Inc.	Oceanic Digital Jamaica Limited	Total
Current assets	Ps. 6,611,161	Ps. 160,850	Ps. 6,772,011
Fixed assets	12,086,219	420,641	12,506,860
Licenses	1,318,675	271,995	1,590,670
Trademarks	397,597		397,597
Customer lists and relationships	840,671	–	840,671
Other assets	1,861,055	–	1,861,055
Less:			
Total liabilities	19,697,347	174,530	19,871,877
Fair value of net assets acquired	3,418,031	678,956	4,096,987
% of equity acquired	100%	100%	
Net assets acquired	3,418,031	678,956	4,096,987
Amount paid	20,946,236	800,279	21,746,515
Goodwill generated	Ps. 17,528,205	Ps. 121,323	Ps. 17,649,528

a) Telecomunicaciones de Puerto Rico

As a result of its expansion in Latin America, on March 30, 2007, the Company announced the acquisition of 100% of the shares of Telecomunicaciones de Puerto Rico, Inc. The shares were acquired from Verizon Communications, the government of Puerto Rico, Banco Popular and the employees of such company, who before the sale respectively held 52%, 28%, 13% and 7% of the total shares at such date. The Company paid Ps. 20,946,236 (US\$US 1,890 million after net debt assumed, which was approximately Ps. 4,104,288 (US\$US 370,830).

At the time of acquisition, the Company assumed a liability for the new subsidiary's retirement and post-retirement labor obligations of approximately Ps. 10,216,851 (US\$ 934,650).

Telecomunicaciones de Puerto Rico provides telecommunication services, including fixed-line and cellular services in Puerto Rico. Telecomunicaciones de Puerto Rico's results of operations have been included in the consolidated financial statements as of April 2007. The Company expects the acquisition of Puerto Rico to contribute to the strategy of becoming the leading wireless communication provider in Latin America

b) Oceanic Digital Jamaica Limited

In November 2007, the Company completed the acquisition of 100% of the shares of Oceanic Digital Jamaica, Ltd. Oceanic Digital Jamaica provides mobile telephone and value added services in the Republic of Jamaica. The amount paid for the acquisition was Ps. 800,279 (US\$ 73,648) before net cash of Ps. 15,548 (US\$ 1,431). Oceanic Digital Jamaica Limited's results of operations have been included in the consolidated financial statements as of December 2007. The Company expects the acquisition of Oceanic Digital Jamaica Limited to contribute to its the strategy of becoming the leading wireless communication provider in Latin America.

- Other acquisitions

a) In 2007, the Company paid Ps. 53,184 to acquire non-controlling interest in Guatemala, El Salvador, Nicaragua and Colombia. The book value of such shares was Ps. 46,580, and the difference between the book value and price paid is reflected in shareholders' equity. As a result of these acquisitions, the Company's equity interest increased from 99.1% to 99.2% in Guatemala; from 99.3% to 99.5% in Nicaragua; and from 99.2% to 99.4% in Colombia.

- General

The Company is not obligated to make any further payments or provide any form of additional or contingent consideration related to these acquisitions, other than those already disclosed.

- Unaudited pro forma financial data

The following consolidated pro forma financial data for the years ended December 31, 2007 and 2008 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 licenses and adjustments related to depreciation of fixed assets of the acquired companies.

The pro forma adjustments assume that the acquisitions were made at the beginning of the year of acquisition and the immediately preceding year and are based upon available information and other assumptions that management considers reasonable. The pro forma financial information data does not purport to represent what the effect on the Company's consolidated operations would have been had the transactions in fact occurred at the beginning of each year, nor are they intended to predict the Company's results of operations.

	Unaudited pro forma consolidated for the years ended December 31,	
	2007	2008
Operating revenues	Ps. 315,415,110	Ps. 345,849,287
Income from continued operations	58,809,925	60,115,083
Net income	58,809,925	60,115,083
Earnings per share (in Mexican pesos)	1.67	1.76

10 Derivative financial instruments

To protect itself against future increases in interest rates for the servicing of its long-term debt of Ps. 101,741,199, the Company has entered into interest-rate swap contracts in over-the-counter transactions carried out with the same financial institutions from which the Company has obtained unsecured loans, with no collateral and no values given as a guarantee. The weighted average interest rate is 2.14%. The swap floating rate is the three-month London Interbank Offered Rate (LIBOR) and is due every three months, coinciding with the payments of interest.

At December 31, 2008 and 2009, the financial instruments contracted by the Company are as follows:

Instrument	Amounts in thousands			
	2008		2009	
	Notional amount	Fair value	Notional amount	Fair value
Cross Currency Swaps				
Swaps Dollar-Peso	US\$ 610,000	Ps (483,916)	US\$ 146,965	Ps (2,699)
Swaps Euro-Peso			€ 82,000	24,578
Swaps Euro-Dollar			€ 142,821	106,637
Swaps Yen-Dollar			¥ 13,000,000	(27,181)
Interest rate swaps and Cross Currency Swaps	US\$ 350,000	2,371,725	—	—
Forwards Dollar-Peso	US\$ 2,700,000	1,237,405	US\$ 1,965,000	(92,974)
Total		Ps 3,125,214		Ps 8,361

With respect to the aforementioned financial instruments, the valuation gain for the years ended December 31, 2007, 2008 and 2009 aggregated to Ps. 23,851, Ps. 7,497,200 and Ps. 732,566, respectively, and was included in the statement of income as part of comprehensive result of financing in the Other financing cost (income), net caption.

11 Employee Benefits

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

a) Puerto Rico

Pension plan

In accordance with the provisions of the Employee Retirement Income Security Act issued in 1974, all full-time employees are entitled to a pension plan and the contributions to such plan are deductible for income tax purposes.

This pension plan is comprised of two types of payment:

- Life-long or retirement pension to which employees are entitled to when they have reached a certain number of years of service and that is computed by applying certain percentages to the number of years of service and based on the employee's salary of the last three years.
- The payment of an amount that ranges from 9 to 12 months of the employee's current salary. The number of months (9 to 12) also depends on the years of service.

The benefit costs and obligations, together with the status of the funds and costs related to these post-retirement pension plans at December 31, 2008 and 2009, are as follows:

	2008		2009	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Projected benefit obligation at beginning of year	Ps. 15,243,410	Ps. 7,144,994	Ps. 18,904,990	Ps. 9,926,295
Labor cost	309,201	88,392	272,013	79,906
Finance cost on projected benefit obligation	1,121,865	590,121	1,101,802	515,597
Actuarial loss (gain)	(253,748)	735,942	777,985	(615,052)
Other amended plans		31,964	(824,304)	(269,662)
Payments from trust fund	(1,264,234)	(422,138)	(1,418,253)	(454,064)
Effect of translation	3,748,496	1,757,020	(785,015)	(353,354)
Projected benefit obligation at end of year	Ps. 18,904,990	Ps. 9,926,295	Ps. 18,029,218	Ps. 8,829,666

Changes in plan assets:

Established fund at beginning of year	Ps. 13,526,767		Ps. 14,959,431	
Effect of business acquisition	—			
Actual return on plan assets	(807,465)		693,221	
Employee contributions	69,221	Ps. 422,138	121,916	Ps. 438,890
Payments from trust fund	(1,264,234)	(422,138)	(1,418,266)	(438,890)
Effect of translation	3,435,142		(450,999)	
Established fund at end of year	Ps. 14,959,431	Ps. —	Ps. 13,905,303	Ps. —

Unfunded labor obligation	Ps (3,945,559)	Ps (9,926,295)	Ps (4,123,915)	Ps (8,829,666)
Unrecognized actuarial loss (gain)	1,933,608	644,843	2,474,363	(263,851)
Accrued labor obligation	(2,011,951)	(9,281,452)	Ps (1,649,552)	Ps (9,093,517)

Net period cost

The net period cost at December 31, 2008 and 2009 is comprised of the following elements:

	2008		2009	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Labor cost	Ps. 309,201	Ps. 88,392	Ps. 272,013	Ps. 79,906
Finance cost on projected benefit obligation	1,121,865	590,121	1,101,802	515,597
Projected return on plan assets	(1,382,477)	(15,136)	(1,184,295)	(34,334)
	Ps. 48,589	Ps. 663,377	Ps. 189,520	Ps. 561,169

	2008		2009	
	Ps.	Ps.	Ps.	Ps.
Projected benefit obligation	18,904,990	9,926,295	18,029,218	8,829,666
Accumulated benefit obligation	17,542,843	9,926,295	17,809,050	8,829,666
Fair value of plan assets	14,959,943	—	13,905,303	—

The unrecognized net actuarial loss of Ps. 2,578,451 for 2008 derives from: i) changes in actuarial assumptions primarily due to changes in the rates of return on assets; and ii) experience adjustments. For 2009, there is no unrecognized actuarial loss.

Actuarial assumption

The average rates used to determine the net period cost for 2008 and 2009 are as follows:

	2008	2009
Long-term rate of return	8.5%	8.5%
Rate of future salary increases	4.00%	4.00%

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

	2008	2009
Cost percentage of increase in health care for the following year	7.0%	6.90%
Cost percentage due to death	5.0%	4.5%
Year to which this level will be maintained	2010	2021

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

	2008	2009
Cost percentage of increase in health care for the following year	7.00%	5.8%
Cost percentage due to death	5.00%	5.0%
Year to which this level will be maintained	2010	2021

The projected return on plan assets is as follows:

	2008	2009
Equity instruments	7.8%	5.1%
Debt instruments	4.4%	6.3%
Cash and equivalents	4.2%	2.6%

Plan assets

The Company invests its plan assets at the following percentages:

	2008	2009
Equity instruments	2.0%	2.5%
Debt instruments	35.0%	41.3%
Cash and cash equivalents	63.0%	56.2%
	100%	100%

Cash flows

During 2008 and 2009, the Company contributed approximately Ps. 69,221 (US\$US\$ 5,112) and Ps. 121,903 (US\$US\$ 9,335), respectively, to the pension plan fund and Ps. 422,138 (US\$US\$ 31,181) and Ps. 399,727 (US\$US\$ 30,610), respectively, to the post-retirement obligations fund. In accordance with current regulations, during 2010, the Company expects to contribute approximately Ps. 615,468 to the pension plan fund and Ps. 464,816 to the post-retirement obligations fund.

Estimated future payments

An analysis of the payments for labor obligations the Company expects to make in succeeding years is as follows:

	Pensions and sum of benefits	Post-retirement benefits
2010	Ps. 1,280,458	Ps. 479,646
2011	1,271,800	516,237
2012	1,259,394	548,988
2013	1,248,568	579,819
2014-2018	8,064,922	4,051,409

An analysis of future payments for medicines is as follows:

	Post-retirement benefits	
2010	Ps	14,822
2011		17,094
2012		19,928
2013		23,062
2014-2018		201,966

c) For Mexico and Ecuador, the net period cost in 2007, 2008 and 2009 is Ps. 3,819, Ps. 15,493 and Ps. 15,939, respectively, for Mexico and Ps. 6,730, Ps. 7,177 and Ps. 13,077, respectively, for Ecuador. The balance of labor obligations at December 31, 2008 and 2009 is Ps. 19,101 and Ps. 22,177, respectively, for Mexico and Ps. 46,143 and Ps. 57,027, respectively, for Ecuador.

d) In Mexico, Ecuador and Peru, the Company is legally required to pay employee profit sharing, in addition to the compensation and benefits to which employees are contractually entitled. The statutory employee profit sharing rate in 2007, 2008 and 2009 was 10% of taxable income in Mexico and Peru and 15% in Ecuador.

e) The total amount charged to results of operations for employee profit sharing in 2007, 2008 and 2009 is Ps. 758,957, Ps. 1,104,461 and Ps. 1,589,588, respectively.

Starting in 2006, employee profit sharing paid to employees is deductible under certain circumstances for income tax purposes in Mexico. For Ecuador, employee profit sharing is deductible from current year income tax. In Mexico, this deduction aggregated to Ps. 305,273 in 2007, Ps. 353,142 in 2008 and Ps. 473,334 in 2009.

12 Accounts Payable and Accrued Liabilities

a) An analysis of accounts payable and accrued liabilities is as follows:

	December 31,			
	2008		2009	
Suppliers	Ps.	64,086,196	Ps.	62,131,638
Sundry creditors		8,763,642		10,468,068
Interest payable		2,330,624		1,574,996
Accrued expenses and other provisions		13,685,577		20,179,010
Guarantee deposits		1,057,244		1,263,674
Dividend pending payment		944,118		1,469,199
Total	Ps.	90,867,401	Ps.	97,086,585

a) Las cuentas por pagar y pasivos acumulados se integran como sigue:

b) At December 31, 2008 and 2009, an analysis of accrued expenses and other provisions is as follows:

	Balance at December 31, 2007		Effect of translation	Increase for the year	Payments	Reversals	Balance at December 31, 2008					
	Ps.						Ps.					
Direct employee benefits payable	Ps.	1,024,320	Ps.	66,982	Ps.	1,004,203	Ps.	(598,851)	Ps.	(54,201)	Ps.	1,442,453
Office expenses		576,560		748		127,184		(52,162)		(4,133)		648,197
Professional fees		117,952		26,337		460,273		(353,726)				250,836
Retirement of assets		1,319,795		70,210		390,767		(3,455)				1,777,317
Points and loyalty program		868,638		36,449		604,260		(763,883)				745,464
Contingencies		7,217,852		(115,340)		551,959		(551,869)				7,102,602
Value added services		68,658				535,420						604,078
Other provisions		774,151		180,767		183,245		(23,533)				1,114,630
	Ps.	11,967,926	Ps.	266,153	Ps.	3,857,311	Ps.	(2,347,479)	Ps.	(58,334)	Ps.	13,685,577

	Balance at December 31, 2008		Effect of translation	Increase for the year	Payments	Reversals	Balance at December 31, 2009					
	Ps.						Ps.					
Direct employee benefits payable	Ps.	1,442,453	Ps.	225,454	Ps.	1,102,891	Ps.	(845,015)	Ps.	(83,582)	Ps.	1,842,200
Office expenses		648,197		102,398		74,623		(276,670)				548,548
Professional fees		250,836		7,251		340,692		(296,632)		(1,417)		300,730
Retirement of assets		1,777,317		30,794		1,848,499		(174,904)				3,481,706
Points and loyalty program		745,464		14,200		461,152		(362)		(58,017)		1,162,437
Contingencies		7,102,602		1,536,206		3,765,057		(936,393)		(58,817)		11,408,655
Value added services		604,078		3,560		334,259		(267,333)				674,564
Other provisions		1,114,630		(14,051)		52,361		(390,146)		(2,625)		760,169
	Ps.	13,685,577	Ps.	1,905,812	Ps.	7,979,533	Ps.	(3,187,455)	Ps.	(204,458)	Ps.	20,179,010

13 Debt

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

Currency	Item	2008			2009		
		Rate	Maturity from 2009 to	Total 2008	Rate	Maturity from 2010 to	Total 2009
U.S. dollars							
	Export Credit Agencies "ECA" credits (fixed rate)	2.71% - 3.2%	2010	Ps 527,508	2.71% - 3.20%	2010	Ps. 169,607
	ECA credits (floating rate)	L + 0.75%	2015	2,707,660	L + 0.75% - L + 1.50%	2019	4,913,714
	Syndicated loans	L + 0.25%	2011	27,076,600			
	Fixed-rate senior notes	4.125% - 6.375%	2037	50,517,558	5.0% - 6.375%	2037	51,608,178
	Lines of credit	L + 0.15 - L + 2.5%	2013	4,397,017	L + 5.14%	2013	151,494
	Leases	7.95% - 8.75% & L + 2.9% - 3.16%	2012	587,772	7.95% - 8.75% & TPR + 2.0%	2012	157,916
	Subtotal dollars			85,814,115			57,000,909
Euros							
	ECA credits (floating rate)	E(4) + 0.70%	2016	4,979,233	E(5) + 0.70%	2016	7,040,726
	Subtotal euros			4,979,233			7,040,726
Mexican pesos							
	Lines of credit	TIIE + 0.24%		4,500,000			
	Fixed-rate notes	8.11% - 10.45%	2036	20,060,964	4.1% - 9.0%	2036	19,613,149
	Floating-rate notes	Sundry	2013	7,750,000	Sundry	2013	6,750,000
	Commercial paper	8.18% - 8.53%	2009	5,500,000			
	Subtotal Mexican pesos			37,810,964			26,363,149
Brazilian reais							
	Lines of credit	9.25%	2014	1,155,040	8.78% - 9.20%	2017	2,352,034
	Subtotal Brazilian reais			1,155,040			2,352,034
Colombian pesos							
	Bonds	CPI + 6.8% - 7.50% and 7.59%	2016	5,430,792	CPI + 6.8% - 7.50% y 7.59%	2016	5,749,270
	Subtotal Colombian pesos			5,430,792			5,749,270
Other currencies							
	Bonds	6.41%	2012	538,602	1.489% - 6.406%	2039	4,546,906
	Leases	6.45%	2011	890,254	2.75% - 6.45%	2012	1,133,455
	Lines of credit	Sundry	2012	6,867,448	Sundry	2013	6,722,691
	Subtotal other currencies			8,296,304			12,403,052
	Total debt			143,486,448			110,909,140
	Less: Short-term debt and current portion of long-term debt			26,731,355			9,167,941
	Long-term debt			\$ 116,755,093			\$ 101,741,199

(1) L = LIBOR or London Interbank Offered Rate

(2) TIIE = Mexican Weighted Interbank Interest Rate

(3) FTD = Fixed-Term Deposits

(4) CPI = Consumer price index

(5) E = Euribor

(6) RLR = Reference Liability Rate

Except for the fixed-rate senior notes, interest rates on the Company's debts are subject to variances in international and local rates. The Company's weighted-average cost of borrowed funds at December 31, 2009 was approximately 5.8% (5.70% in 2008).

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

An analysis of the Company's short-term debt at December 31, 2008 and 2009 is as follows:

Debt	2008		2009	
Domestic senior notes	Ps.	8,142,073	Ps.	5,038,662
Credit lines drawdowns		10,200,547		1,005,544
Commercial paper		5,500,000		
Other loans		270,997		310,547
Total	Ps.	24,113,617	Ps.	6,354,753
Weighted-average interest rate		6.18%		7.61%

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

2011	Ps	2,454,789
2012		8,943,324
2013		8,623,773
2014		14,516,672
2015		8,065,621
2016 and thereafter		59,137,020
Total	Ps	101,741,199

Senior Notes - At December 31, 2009, the Company had senior notes issued in U.S. dollars for US\$US\$ 3,952 million (Ps. 51,608 million) maturing from 2014 to 2037. The Company also had senior notes issued in Mexican pesos for Ps. 26,363 million maturing in 2010 and 2036. During 2009 América Móvil issued three new senior notes of JPY 13,000 million, US\$US\$ 750 million and 4 million Financing Units (FU) in Chile (equivalent to 83,772 million Chilean pesos).

All senior notes issued by the Company are guaranteed by Telcel.

Lines of credit granted or guaranteed by export credit agencies - The Company has medium- and long-term financing programs for the purchase of equipment, whereby certain agencies provide financial support to purchase export equipment from their respective countries. The debt issued under these plans at December 31, 2009 is approximately Ps. 12,124 million.

Domestic senior notes - At December 31, 2009, the domestic senior note debt aggregates to Ps. 13,491 million. In general, these notes bear a fixed or floating interest rate established as a percentage of either the Mexican weighted interbank interest rate (TIIE).

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

General

At December 31, 2009, the Company had a number of bank facilities for approximately Ps. 9,226 million (US\$ 707 million). Under all of the facilities, América Móvil and Telcel are the guarantors.

The Company is subject to financial and operating covenants under the loan agreements. In some cases, these covenants limit America Móvil or the guarantor's ability to: pledge assets, carry out certain types of mergers, sell off all or substantially all of its assets and sell control over Telcel.

The covenants do not restrict the ability of the subsidiaries to pay dividends or make other distributions to the Company. The most restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA not greater than 4 to 1 and a consolidated ratio of EBITDA to interest expense of no less than 2.5 to 1 (based on the terms of the loan agreements). For some of its loans, Telcel is subject to financial covenants similar to those applicable to América Móvil.

A number of the financing instruments are subject to either acceleration or repurchase at the holder's option if there is a change in the Company's control. At December 31, 2009, the Company has complied with all of the above-mentioned requirements.

At December 31, 2008 and 2009, approximately 87% and 85%, respectively, of the total outstanding consolidated debt is guaranteed by Telcel.

14 Foreign Currency Position and Transactions

At December 31, 2008 and 2009, América Móvil had the following foreign currency denominated assets and liabilities:

	Foreign currency in millions at December 31			
	2008		2009	
	Amount	Exchange rate- Mexican peso per currency	Amount	Exchange rate- Mexican peso per currency
Assets				
U.S. dollars	4,138	13.54	4,831	13.06
Quetzal (Guatemala)	1,145	1.74	885	1.56
Brazilian reais	3,158	5.79	2,939	7.5
Colombian peso	941,758	0.006	913,359	0.006
Argentinean peso	1,331	3.92	1,493	3.44
Uruguayan peso	1,126	0.556	521	0.665
Cordoba (Nicaragua)	1,144	0.682	1,097	0.627
Lempira (Honduras)	751	0.712	470	0.686
Chilean peso	128,447	0.02	115,091	0.03
Peruvian sol	415	4.3	327	4.5
Guarani (Paraguay)	203,435	0.003	267,694	0.003
Dominican peso	32,291	0.382	34,059	0.360
Jamaican dollars	4,285	0.169	3,505	0.146
Euro	119,742	18.91	4,493	18.70
Swiss franc	106	12.67	106	12.61

	Foreign currency in millions at December 31			
	2008		2009	
	Amount	Exchange rate- Mexican peso per currency	Amount	Exchange rate- Mexican peso per currency
Liabilities				
U.S. dollars	(11,955)	13.54	(9,443)	13.06
Quetzal (Guatemala)	(2,760)	1.74	(3,687)	1.56
Brazilian reais	(5,642)	5.79	(6,666)	7.50
Colombian peso	(1,839,490)	0.006	(1,958,152)	0.006
Argentinean peso	(2,753)	3.92	(2,701)	3.44
Uruguayan peso	(1,164)	0.556	(375)	0.665
Cordoba (Nicaragua)	(2,066)	0.682	(3,007)	0.627
Lempira (Honduras)	(2,578)	0.712	(3,246)	0.686
Chilean peso	(328,378)	0.02	(307,903)	0.03
Peruvian sol	(1,253)	4.3	(1,236)	4.52
Guarani (Paraguay)	(330,894)	0.003	(322,035)	0.003
Dominican peso	(13,435)	0.382	(10,179)	0.360
Jamaican dollars	(10,908)	0.169	(5,004)	0.146
Euro	(263,766)	18.91	(376,491)	18.70
Yen			(13,000,000)	0.140

At March 8, 2010, the date of issuance of these financial statements, the exchange rates were as follows:

Foreign currency	Exchange rate- Mexican peso per currency
U.S. dollars	12.69
Quetzal (Guatemala)	1.58
Brazilian reais	7.12
Colombian peso	0.0066
Argentinean peso	3.29
Uruguayan peso	0.64
Cordoba (Nicaragua)	0.60
Lempira (Honduras)	0.67
Chilean peso	0.02
Peruvian sol	4.47
Guarani (Paraguay)	0.0027
Dominican peso	0.35
Euro	17.29
Swiss franc	11.81
Jamaican dollars	0.14

In the years ended December 31, 2007, 2008 and 2009, the Company had the following transactions denominated in foreign currencies. Currencies other than the U.S. dollar were translated to U.S. dollars using the closing exchange rate at December 31, 2007, while for 2008 and 2009 using the average exchange rate.

	U.S. dollars (thousands)		
	2007	2008	2009
Net revenues	Ps 17,131,480	Ps 19,036,746	Ps 18,717,023
Operating costs and expenses	14,576,815	16,023,340	16,042,797
Interest income	375,254	470,033	347,444
Interest expense	608,093	711,218	618,258
Other income (expenses), net	(465,427)	258,211	(146,628)

15 Contingencies and Commitments

a) As of December 31, 2009, the Company has entered into various leases (as a lessee) with related and third 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 generally run from one to fourteen years.

Provided below is an analysis of minimum rent payments due in the next five years. In some cases, amounts are subject to an annual increase based on the NCPI.

At December 31, 2009, the Company had the following commitments under non-cancelable leases:

Year ended December 31,	Capital lease		Operating lease	
	Ps		Ps	
2010	762,458		4,314,378	
2011	407,219		4,050,849	
2012	181,893		3,331,981	
2013	—		3,009,501	
2014	—		2,130,224	
2015 and thereafter	—		3,526,184	
Total	1,351,570		Ps 20,363,117	
Less interest	(60,199)			
Present value of minimum net rental payments		1,291,371		
Less current portion		(716,481)		
Long-term obligations	Ps 574,890			

Rent charged to expenses in 2007, 2008 and 2009 aggregated to Ps. 5,052,082, Ps. 6,325,739 and Ps. 8,153,371, respectively.

b) Commitments

At December 31, 2009, some of the Company's subsidiaries had commitments to acquire equipment for their GSM and 3G networks for up to approximately US\$ 7,204 million (approximately Ps. 94,078 million). The estimated completion period for projects in progress ranges from 3 to 6 months, depending on the type of project and the equipment supplier, as well as the type of asset.

c) Contingencies

América Móvil

NatTel

The plaintiff, NatTel, LLC ("NatTel") sued the Company and others in a Connecticut state court in the United States based on an August 2007 transaction where the Company purchased shares of Oceanic Digital Jamaica, Ltd. ("ODJ") from ODC St. Lucia, a subsidiary of Oceanic Digital Communications, Ltd. ("ODC"), in which NatTel is a minority shareholder. Under the agreement governing the transaction, the parties placed approximately US\$15 million (approximately Ps.195.9 million) in escrow with The Bank of New York, and the remaining purchase payments paid certain inter-company debt owed by Oceanic to the majority shareholders in ODC – SAC Capital Associates, LLC and SAC Capital Advisors (collectively, "SAC").

In the Connecticut action ("State Suit"), NatTel alleges that the entire transaction was intended to deprive NatTel of its fair share of the sales proceeds, and structured so that SAC received the entire proceeds of the sale. NatTel seeks, inter alia, an order that it receive the approximately US\$15 million placed in escrow. On February 7, 2008, the Company filed a motion to dismiss for (i) lack of personal jurisdiction; and (ii) insufficient service. The motion principally argues that the Company does not have sufficient contacts with Connecticut to support the state court's exercise of personal jurisdiction over it. The Company believes it has several other meritorious defenses to NatTel's claims.

Concurrently with the State Suit, NatTel also initiated an adversary proceeding in connection with its bankruptcy case in the United States Bankruptcy Court for the District of Connecticut (“Bankruptcy Court”), against many of the parties in the State Suit, including the Company. The adversary proceeding contains the same allegations as the State Suit.

After the filing of the adversary proceeding in Bankruptcy Court, defendants, excluding the Company, filed a motion in the District Court for the District of Connecticut (“District Court”) to withdraw the reference (“Motion to Withdraw”) of the adversary proceeding, and send those proceedings to the District Court judge who had previously decided a related case against NatTel.

In April 2008, the parties to the State Suit agreed to stay the State Suit pending a decision by the District Court on the Motion to Withdraw. As of the date of the accompanying financial statements, the District Court has yet to decide on the Motion to Withdraw. Accordingly, the State Suit remains stayed.

The Company has not made provisions in the accompanying financial statements for this potential liability.

Cempresa

In May or June of 2008, plaintiffs Centro Empresarial Cempresa, S.A. and Conecel Holding Limited (collectively, “Plaintiffs”), filed a suit in the Supreme Court of the State of New York against numerous defendants including the Company, certain of its affiliates, subsidiaries and two members of its Board of Directors (collectively, “Defendants”), asserting breach of contract, fraud, fraudulent inducement, unjust enrichment and a claim for accounting. Plaintiffs sold a majority of their shares in our Ecuadorian subsidiary, Consorcio Ecuatoriano de Telecomunicaciones, S.A. – Conecel (“Conecel”), to a subsidiary of Teléfonos de México, S.A.B. de C.V. (“Telmex”) in 2000. Telmex’s holdings in Conecel were included in the Company’s spin-off from Telmex in 2000 and remain held by one of its subsidiaries. Plaintiffs kept a minority of the shares of Conecel.

Plaintiffs assert that one of their exit strategies with respect to the minority shares was a right to negotiate for an exchange of those shares of the Company. Plaintiffs contend in the lawsuit that Defendants wrongfully deprive them of a share exchange and they seek the alleged value of the Company’s shares they claim the would have receive, which Plaintiffs assert amount to over US\$900 million (approximately Ps.11,754 million). Plaintiffs also seek punitive damages. Plaintiffs additionally assert that Defendants purposefully misrepresented the value of Plaintiffs’ minority shares to try to prevent a share exchange. In 2003, Plaintiffs voluntarily sold their minority shares to Defendants, executing comprehensive releases as part of the transactions.

Defendants filed a motion to dismiss asserting numerous defenses, including statute of limitations, release, lack of damages, personal jurisdiction for certain defendants, and the inability to add to a contract cause of action the fraud causes of action. In December 2008, the trial court denied the motion to dismiss and Defendants appealed. The appellate court stayed the case in the trial court. The appeal is fully briefed and oral argument was held in April 2009.

Defendants believe they have numerous meritorious defenses to Plaintiffs’ claims. In addition to the defenses contained in the motion to dismiss that are issues on appeal, Defendants do not believe that the Company’s spin-off from Telmex triggered the share exchange provision. Moreover, Defendants argue that a plain reading of the provision relating to the potential exchange of shares provides no “right” to a share exchange, but instead only a right to a good faith negotiation for a period of 20 days, for a potential share exchange.

The Company has not made provisions in the accompanying financial statements for this potential liability.

Telcel

Cofeco—Substantial market power investigations

The Mexican Competition Commission (Comisión Federal de Competencia or “Cofeco”) began two substantial market power investigations into certain competitive conditions in the mobile telecommunications market. The first of these, which commenced in December 2007, is a Cofeco initiated investigation into whether one or more cellular operators have substantial market power in the market for termination (interconnection) of calls made as part of the local, national and international “calling party pays” system. Cofeco has issued a preliminary report (dictamen preliminar) finding that each operator, including Radiomóvil Dipsa, S.A de C.V., (“Telcel”), has substantial market power in the market for interconnection to its own network.

Interested parties have the opportunity to submit information for Cofeco’s review before it issues a final report. Telcel has provided extensive information to Cofeco, and the Company cannot predict when Cofeco will issue a final report or whether it will modify its preliminary findings.

The second Cofeco investigation, which commenced in April 2008 was initiated by an alleged Telcel subscriber -who ended up being subscribed to another mobile operator- and is into whether Telcel has substantial market power in the nationwide market for voice services. In this investigation, Cofeco issued a preliminary report (dictamen preliminar) in November 2008 finding that Telcel has substantial market power in the national mobile telephone services relevant market. The preliminary report was confirmed by the publication on February 10, 2010 in the Federation Official Gazette (Diario Oficial de la Federación) of the relevant findings of the resolution relating to the existence of substantial market power in the nationwide market for voice services. In February 2010, Telcel filed an administrative proceeding (recurso administrativo de reconsideración) before Cofeco. As a result of the aforesaid proceeding being rejected by Cofeco for analysis, Telcel filed an appeal (amparo indirecto) before an administrative judge against the rejection of the mentioned administrative proceeding and the issuance, subscription and publication of the resolution which relevant findings were published on February 10, 2010 in the Federation Official Gazette (Diario Oficial de la Federación).

Under the Antitrust Law (Ley Federal de Competencia Económica) and the Telecommunications Law (Ley Federal de Telecomunicaciones), if Cofeco makes a final finding of substantial market power concerning an operator, the Mexican Federal Communications Commission (Comisión Federal de Telecomunicaciones or “Cofetel”) can impose on that operator specific regulations with respect to tariffs, quality of service and information. The Company cannot predict what regulatory steps might be taken in response to determinations by Cofeco.

Cofeco—Monopolistic practices investigations

Cofeco currently conducts four separate administrative proceedings against Telcel for alleged monopolistic practices. The first two concern alleged actions by certain distributors of Telcel in relation to the purchase and sale of cellular phones to third parties. The third proceeding concerns to certain exclusivity agreements with some content providers. In each of these investigations, Cofeco has determined that Telcel engaged in anti-competitive behavior, and it has imposed fines totaling Ps.6.7 million in the aggregate and ordered that the alleged behaviors terminate immediately. Telcel has challenged Cofeco’s determinations and fines in the courts and no final ruling has been issued.

The fourth investigation concerns alleged monopolistic practices in the interconnection market. After having concluded the investigation stage, in October 2008 Cofeco notified Telcel a Writ of Probable Responsibility (Oficio de Probable Responsabilidad) for carrying out monopolistic practices in the commuted termination services relevant market.

Interested parties to this investigation have the opportunity to submit information for Cofeco’s review before it issues a final resolution. Telcel has provided extensive information to Cofeco, and the Company cannot predict when Cofeco will issue a final resolution or whether it will modify the Writ of Probable Responsibility.

Adverse determinations against Telcel in any of these proceedings could result in material fines, penalties or restrictions on our operations. Telcel has not made provisions in its financial statements for these potential liabilities since at the time Telcel’s most recent financial statements were published, the amount of the possible contingency could not be reasonably estimated.

Interconnection Fees

Since 2005, there has been extensive controversy in Mexico concerning the interconnection fees payable by fixed-line operators to mobile operators on fixed-to-mobile calls .The principal stages of the controversy, as they relate to interconnection with Telcel, are summarized below.

- December 2004 Agreement. In December 2004, most Mexican telecommunications operators agreed on interconnection fees for the years 2005 through 2007. The agreement provided for annual reductions of 10% and it was further contemplated that the reductions would be reflected in the tariffs charged by fixed operators to their customers. The agreed upon interconnection fees were as follows:

January 1, 2005 to December 31, 2005: Ps.1.71 per minute or part thereof.

January 1, 2006 to December 31, 2006: Ps.1.54 per minute or part thereof.

January 1, 2007 to December 31, 2007: Ps.1.34 per minute or part thereof

- August 2006 Cofetel Resolutions. Axtel, independently, and Avantel and Alestra, jointly, began proceedings with Cofetel to establish the applicable interconnection fees for termination of public commuted traffic under “calling party pays” in local mobile service networks, between them and Telcel.

As a result of the foregoing proceedings (desacuerdos de interconexión), on August 31, 2006, Cofetel issued two resolutions (“Axtel Resolution” and “Avantel/Alestra Resolution”) establishing local interconnection fees payable by the aforementioned carriers to Telcel for the years 2005 through 2010, as follows: from (i) January 1 to December 31, 2005: Ps.1.71 per interconnection minutes; (ii) January 1 to September 30, 2006: Ps.1.54 per interconnection minutes; (iii) October 1, 2006 to December 31, 2007: Ps.1.23 per interconnection minute; (iv) January 1 to December 31, 2008: Ps.1.12 per interconnection minute; (v) January 1 to December 31, 2009: Ps.1.00 per interconnection minute; (vi) January 1 to December 31, 2010: Ps.0.90. Several of the foregoing fees were lower than the fees Telcel had agreed with other operators. In addition, Cofetel ruled that starting in 2007, interconnection fees would be determined by adding the total seconds of all completed calls rounded to the next minute, rather than by rounding each call to the next minute, before calculating the sum of total network occupation.

In order to mitigate the effects of this change on Telcel, Cofetel authorized Telcel to collect a surcharge of 25% in 2007, 18% in 2008 and 10% in 2009 over the interconnection fees billed to Axtel, Avantel y Alestra. Telcel challenged the Axtel Resolution and the Avantel/Alestra Resolution.

- August 31, 2006 Avantel/Alestra Resolution. Telcel challenged Cofetel’s August 2006 Avantel and Alestra Resolution on interconnection rates between the aforesaid carriers and Telcel. In November 2009, said challenge was decided ruling that Cofetel is not empowered to add elements to the controversy set forth in the foregoing proceedings (desacuerdos de interconexión) and may not resolve on matters which were not originally requested, for example interconnection fees for the years 2008 to 2010. Consequently, the challenged resolution was declared without effect and Cofetel was ordered to issue a new resolution establishing interconnection fees for the years 2005 to 2007. Notwithstanding the foregoing, the ruling was silent in connection with the analysis and the assessment of several of the acts challenged by Telcel. Accordingly, on December 2009 Telcel challenged the ruling before the competent courts. Likewise, Cofetel challenged the ruling. Avantel adhered to the challenges (recurso de revisión adhesiva).

- August 31, 2006 Axtel Resolution - December 2007 Judicial Decision and January 2008 Cofetel Resolution – Telcel began a judicial proceeding (juicio de amparo) challenging the Axtel Resolution on interconnection rates between Axtel and Telcel. In December 2007, the district court invalidated the Axtel Resolution in its entirety and directed Cofetel to issue a new resolution covering solely the periods from 2005 through 2007. In January 2008, as directed by the court, Cofetel issued a resolution establishing interconnection rates between Telcel and Axtel for the periods from 2005 through 2007 on the same terms as Cofetel’s August 2006 resolution. Telcel challenged this resolution as to the rates applicable for the aforementioned period. The ruling on the foregoing challenge was ruled adversely for Telcel in October 2009 arguing that, among others, the model used by Cofetel to calculate interconnection fees is appropriate; accordingly, the judge determined that the interconnection fees resulting from Cofetel’s model should be: (i) Ps.071 for 2005; (ii) Ps.0.74 for 2006; and (iii) Ps.0.78 for 2007. Telcel challenged (recurso de revisión) the mentioned ruling arguing that although it may be true that the method used by Cofetel is appropriate, it is also true that the results obtained by the judge are absolutely erroneous, since Cofetel did not use real and updated information while implementing their method, thus resulting in an incorrect outcome. Likewise, Cofetel challenged the ruling. Axtel adhered to the challenges (recurso de revisión adhesiva).

- December 2006 Agreements. In the fourth quarter of 2006, most industry operators, other than Axtel and Avantel, agreed on interconnection fees payable for termination services for local and long-distance (national and international) calls in mobile networks under the “calling party pays” system for the years 2005 through 2010. These agreements contemplated continued reductions in fees, as follows: (i) 2005: Ps.1.71 per interconnection minute; (ii) 2006: Ps.1.54 per interconnection minute; (iii) 2007: Ps.1.34 per interconnection minute; (iv) 2008: Ps.1.21 per interconnection minute; (v) 2009: Ps.1.09 per interconnection minutes; and (vi) 2010: \$1.00 per interconnection minute.

2008 Proceedings Involving Axtel. In December 2007 and March 2008, Axtel initiated proceedings with Cofetel to establish interconnection rates for the years from 2008 through 2011. In May 2008, prior to Cofetel issuing a resolution, Axtel obtained a court order against Cofetel to prevent Cofetel from issuing a resolution on interconnection between Axtel and Telcel. It also filed an administrative review proceeding (recurso de revisión), against the alleged negative to act (negativa ficta) of Cofetel with the Mexican Ministry of Communications and Transportation (Secretaría de Comunicaciones y Transportes or “SCT”), that permits SCT to review the alleged decision by Cofetel. Axtel contended that Cofetel, by failing to issue a resolution on interconnection between Axtel and Telcel for interconnection fees for 2008 through 2011, had refused to act, and asked SCT to review that refusal..

- In July 2008 Telcel obtained a court order which prevented SCT from ruling on Axtel’s challenge to Cofetel’s supposed refusal to act on interconnection fees between Axtel and Telcel.

Notwithstanding the foregoing, in September 2008, however, SCT issued a resolution establishing interconnection fees for 2008 through 2011, as follows: (i) 2008: Ps.0.5465 per interconnection minutes; (ii) 2009: Ps.0.5060 per interconnection minute; (iii) 2010: Ps.0.4705 per interconnection minute; and (iv) 2011: Ps.0.4179 per interconnection minute, based on the assumption that the valuation method consists of adding the actual duration of the calls measured in seconds. These fees are substantially less than the fees agreed upon with the rest of the industry operators. Telcel challenged said resolution and, in October 2008, obtained a court order suspending the effects of it until a final ruling is issued.

- April 2009 Cofetel Resolution – Avantel Interconnection Disagreement. In April 2009, Cofetel issued a resolution establishing the interconnection fees for 2008 through 2010 applicable between Avantel (a subsidiary of Axtel) and Telcel for termination of public commuted traffic under the “calling party pays” system in Telcel’s mobile network, as follows: (i) 2008: Ps.1.12 per interconnection minute plus a surcharge of 18% over the total interconnection minutes billed; (ii) 2009: Ps.1.00 per interconnection minutes plus a surcharge of 10% over the total minutes billed; and (iii) 2010: Ps.0.90 per interconnection minute without any surcharge, based on the assumption that the valuation method consist of adding the actual duration of the calls measured in seconds and then rounding up to the next minute. In May 2009, Telcel judicially challenged said resolution and a final decision is still pending.

The Company considers that interconnection fees for fixed-to-mobile calls will continue, for a while, to be the subject of litigation and administrative proceedings and the resulting uncertainty. We cannot predict when or how these matters will be resolved, and the competitive and financial effects of any resolution could be complex and difficult to predict. Although the matters in dispute primarily concern one operator, Axtel (and its subsidiary Avantel), if those matters are resolved adversely to us through a final, non-appealable resolution or decision from Cofetel, SCT or the courts, the impact could be material because Telcel would be required to offer to the other operators any more favorable fees it is required to provide, as of the date of said final, non-appealable resolution or decision, to Axtel and/or Avantel. This could materially reduce Telcel’s interconnection revenues in future periods. Also, depending on how the disputes are resolved, there could be contractual claims among Axtel and/or Avantel, and Telcel for reimbursement or payment, as the case maybe, of amounts paid or left unpaid between Telcel and Axtel and/or Avantel in respect to certain time periods from 2005 to 2010.

February 2009 Interconnection Plan

On February 10, 2009, Cofetel published a Fundamental Technical Plan of Interconnection and Inter-operability (Plan Técnico Fundamental de Interconexión e Interoperabilidad or “Plan”). The Plan addresses technical, economical and legal conditions of interconnection. With respect to interconnection fees, the Plan establishes a process for developing an economic model over a relatively brief period and then applying the economic model to determine fees, which, it is suggested, could override the existing fee agreements among operators. The Plan also contemplates asymmetrical and discriminatory treatment for operators with the largest number of access points, including specific technical and legal requirements and different economic, technical and legal conditions from other operators.

At this time, Telcel cannot predict the effects that might result from the implementation of the Plan. They could be substantially different from the potential effects of the regulatory steps described above with respect to fixed-to-mobile interconnection. It is also difficult to anticipate the timetable for implementation of the Plan.

In March 2009, Telcel challenged the Plan in the Mexican courts. In April 2009, Telcel obtained a court order suspending the effects of the Plan as they relate to Telcel pending resolution of its judicial challenge. As of the date of the accompanying financial statements, the challenge remains pending.

Short Message Services (SMS)

Under the terms of its concessions for the 850 megahertz spectrum, Telcel must pay to the Mexican federal government a royalty based on gross revenues from concessioned services. The royalty is levied at rates that vary from region to region and average approximately 6%.

Telcel believes that short message services are value-added services, which are not concessioned services, and that revenues from short message services should not be subject to this royalty.

In related proceedings, Cofetel has ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services. Telcel is currently disputing these issues in an administrative proceeding, but has made provisions in its financial statements for this potential liability.

Trademarks Tax Assessments

On March 3, 2006, the Mexican Tax Administration Service (Servicio de Administración Tributaria, or “SAT”) notified Telcel of an assessment of Ps.281.7 million (Ps.155.8 million plus adjustments, fines and late fees) as a result of a tax deduction made by Telcel in 2003 of Ps.1,267.7 million in connection with royalty payments made to another of our subsidiaries for the use of certain trademarks. In June 2007, the SAT notified us of an additional assessment of Ps.541.5 million (Ps.258.5 million plus adjustments, fines and late fees) as a result of a tax deduction made by us in 2003 in connection with the aforementioned royalty payments. The Company and Telcel believe that these deductions were made in accordance with applicable law and have challenged the validity of these assessments.

In December 2007, the SAT notified Telcel of a new assessment of Ps.453.6 million (Ps.243.6 million plus adjustments, fines and late fess) in connection with a deduction of advertising expenses made by Telcel in 2004 in the amount of Ps.1,678.6 million. The SAT is challenging the validity of this deduction, alleging that the deduction is unfounded because Telcel is already paying a royalty for the use of the trademarks. Telcel believes that the SAT’s argument is unfounded and has challenged the assessment in court.

Based on these assessments, the Company expects that the SAT will challenge deductions made during 2005, 2006 and 2007 for royalty payments and/or expenses associated with the trademarks. Telcel has not made specific provisions in its financial statements for these potential liabilities.

Comcel

Voice over IP

In March 2000, the Colombian Industry and Commerce Superintendence (Superintendencia de Industria y Comercio or “SIC”) issued Resolution No. 4954, requiring Comunicación Celular, S.A. (“Comcel”) to pay a fine of approximately US\$100 thousand (approximately Ps.1.3 million) for alleged anti-competitive behavior. In addition to this administrative fine, the SIC ordered Comcel to pay damages to other long distance operators. The long distance operators estimated their damages to be US\$70 million (approximately Ps.904.2 million). Comcel requested an administrative review of the damages decision, which was denied in June 2000. Comcel appealed, and the appeal was rejected in November 2000. Comcel resubmitted the appeal in February 2001. Comcel also filed a special action in court challenging the denial of the administrative review.

Following a series of court proceedings, a Colombian appeals court in June 2002 ordered that Comcel’s February 2001 appeal be granted and that the administrative decision against Comcel be reviewed. After additional proceedings, the Constitutional Court revoked the June 2002 decision and ordered the continuance of the procedure for the determination of damages to the other operators.

In January 2008, SIC determined that Comcel was required to pay the long distance operators approximately US\$1.8 million (approximately Ps.23.5 million, which represents a reduction of approximately 95% of the original amount claimed by the long distance operators). In February 2008, Comcel appealed the SIC’s resolution on the grounds that Comcel had not caused any damage nor it incurred in any liability.

In June 2009, Bogota’s Judicial District Court of Appeals (Tribunal Superior del Distrito Judicial de Bogotá), confirmed SIC’s January 2008 resolution. As a result, Comcel timely paid US\$1.8 million fine. As a result of the foregoing, this contingency has been duly terminated.

Distributors

In February 2007, Comcel was notified of an arbitration proceeding initiated against it by Tecnoquímicas, S.A., which was a distributor of prepaid cards of Comcel until July 2006. In the proceeding, the distributor alleges breach of contract and commercial liability on the part of Comcel. Claimant seeks to recover approximately U.S.\$35 million (approximately Ps.457.1 million) from Comcel. On July 13, 2009, the arbitration tribunal decided that Comcel had to pay Tecnoquímicas, S.A., U.S.\$13 million (approximately Ps.169.8 million), which were timely paid by Comcel. As a result of the foregoing, this contingency has been duly terminated.

Dominant position

In September 2009, the Colombian Telecommunications Regulatory Commission (Comisión de Regulación de Telecomunicaciones de Colombia or “CRT”) issued a series of resolutions stating that Comcel has a dominant position in Colombia’s market for outgoing mobile services. Under Colombian law, a market participant is considered to have a dominant position in a specified market if the regulators determine that it has the capacity to control the conditions in that market. The CRT made its determination based on Comcel’s traffic, revenues and subscriber base. The resolutions also included regulations that would require Comcel to charge rates (excluding access fees) for mobile-to-mobile calls outside the Comcel network (“off net”) that are no higher than the fees charged for mobile-to-mobile calls within the Comcel network (“on net”) plus access fees. The regulations were first implemented on December 4, 2009 and Comcel does not expect them to have a material impact on its business and results of operations in Colombia.

Brazil

Anatel Inflation-Related Adjustments

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

The companies have filed declaratory and consignment actions in Brazilian courts seeking resolution of the disputes. The court of first instance ruled against ATL’s filing for declaratory action in October 2001 and ATL’s filing for consignment action in September 2002. Subsequently, ATL filed appeals which are pending. The court of first instance ruled against Tess’ filing for consignment action in June 2003 and against Tess’ filing for declaratory action in February 2009. Tess filed an appeal which is pending. In December 2008, ANATEL charged Tess approximately US\$160 million (approximately Ps.2,089.6 million). Tess filed an appeal and consequently payment has been suspended until the final ruling is issued. In March 2009, ANATEL charged ATL approximately U.S.\$100 million (approximately Ps.1,306 million). ATL filed an appeal and consequently payment has been suspended until the final ruling is issued.

The aggregate contested amounts are approximately US\$240 million (approximately Ps.3,134.4 million) (including potential penalties and interest). On December 31, 2005, both ATL and Tess were merged into BCP, S.A. (“BCP”). In April 2008, BCP changed its name to Claro S.A. (“Claro Brasil”).

Claro Brasil has made specific provisions in its financial statements for these potential liabilities.

BNDESPar

Prior to the acquisition of Telet, S.A. (“Telet”) and Americel, S.A. (“Americel”) by Telecom Americas Limited (“Telecom Americas”), BNDESPar, a subsidiary of BNDES, the Brazilian development bank, had entered into investment and other shareholder agreements with Americel, Telet and certain of their significant shareholders. Under these agreements, BNDESPar had the right, among others, to participate in the sale of shares of Telet and Americel in the event of certain transfers of control, for so long as BNDESPar held 5% of the share of capital in those companies.

In October 2003, Telecom Americas increased the capital of each of Telet and Americel and BNDESPar’s ownership fell below 5% from approximately 20% in each, as it elected not to exercise its preemptive rights. Subsequently, BNDESPar sent official notices to Telet and Americel reserving its rights under the agreements with respect to certain past transfers of shares.

In November 2004, BNDESPar filed a lawsuit with the competent court of Rio de Janeiro claiming that BNDESPar is entitled to sell its shares in Telet and Americel to Telecom Americas for approximately US\$164 million (approximately Ps.2,141.8 million). The Company does not believe that BNDESPar has valid grounds for its claims against Telecom Americas. The Company cannot provide assurance, however, that Telecom Americas will ultimately prevail in this dispute. Claro Brasil has not made specific provisions in its financial statements for this potential liability.

Lune Patent Case

A Brazilian company claims that wireless operators in Brazil have infringed its patent over certain caller ID technology. The plaintiff first brought a patent infringement case in a state court in Brasília, Federal Capital of Brazil, against Americel and later brought cases, as part of two separate proceedings, against other 23 defendants. Although the Company believes that the patent does not cover the technology that is used by Americel to provide caller ID services, Americel lost the case at the trial level and on first appeal. After the judgment against Americel was rendered, a federal court in Rio de Janeiro, Brazil, rendered a preliminary injunction decision suspending the effects of the patent, in an action filed by a supplier of caller ID technology. This injunction was later upheld on appeal, and the proceeding for judicial review on the merits of the validity of the patent is in its initial stages.

Americel filed three special appeals against the decision of the state court in Brasília, seeking review at the Superior Court of Justice (which is the highest court in Brazil to decide on questions of federal law) and Supreme Court (the highest court in Brazil to decide on questions of constitutional law). The Court of Appeals has determined that two of Americel’s special appeals will be heard by the Superior Court of Justice. Americel’s request for a special appeal before the Supreme Court was denied. Americel filed a motion requesting the reversal of this decision which is still pending.

The cases against the other operators are currently suspended as a result of the preliminary injunction suspending the effects of the patent. The plaintiff has brought these cases to the same state trial court that heard the case against Americel, but the defendants have requested that the cases be remitted to another court on jurisdictional grounds. The Americel judgment does not bind other state courts or federal courts of Brazil. The Company does not expect that there will be a resolution of these other cases within this year.

In the case against Americel, the plaintiff has requested the court to initiate the necessary proceedings for the execution of judgment. The court has estimated that the award for damages could amount to as much as approximately US\$270 million (approximately Ps.3,526.2 million). In September 2006, the Higher Court of Justice of Brazil unanimously ruled to stay the trial, due to the injunction suspending the validity of the patent in question. In September 2009, Lune filed before the Higher Court of Justice of Brazil a motion to revert the ruling to stay the trial. However, Americel obtained a favorable resolution that maintained the decision to stay the trial until a ruling has been issued in the process held before the federal court in Rio de Janeiro. Lune has challenged said resolution before the Superior Court, but the resolution to stay the trial was unanimously upheld. The Company expects that the trial will remain stayed as long as the patent remains suspended. Furthermore, Americel benefits from a limited contractual indemnity from its equipment suppliers (Nortel Networks) in respect of trademark infringement. The process remains suspended by the Superior Court of Justice. Americel has not made specific provisions in its financial statements to cover these potential liabilities.

Tax Assessments against Americel

In December 2005, the Brazilian Federal Revenue Service (Secretaria da Receita Federal do Brasil) issued three tax assessments against Americel in respect of withholding income taxes and PIS and COFINS taxes (contributions levied on gross revenue) for 2000 through 2005. As of February 2010, the total amount of the tax assessments was R\$ 242 million (approximately Ps.1,815 million), including R\$ 89.9 million (approximately Ps.673.4 million) of taxes and contributions plus fines and interest. Americel has challenged these assessments, and its challenge is pending before the Brazilian Taxpayers Council (Conselho Administrativo de Recursos Fiscais) in Brasilia. Americel did not make any specific provisions in its financial statements to cover these potential liabilities.

Tax Assessments against ATL

In March 2006, the Brazilian Federal Revenue Service issued two tax assessments against ATL in respect of certain tax credits claimed by ATL and derived from non-cumulative contributions levied on gross income (PIS and COFINS). Under the Brazilian tax legislation, the calculation and payment of PIS and COFINS has two different regimes, the cumulative and non-cumulative regimes. The applicability of a regime depends on the nature of the company and its business sector. The cumulative regime applies to revenues derived from the provision of telecommunications services, while the sale of handsets is taxed under the non-cumulative regime. The non-cumulative regime is based on the value-added concept and allows the taxpayer to claim tax credits corresponding to preceding transactions. ATL (as well as other of the Company's Brazilian subsidiaries) offsets the tax credit derived from the non-cumulative regime for the sale of handsets (the balance between the purchase and the sale of handsets), against contributions owed under the cumulative regime. The Brazilian Federal Revenue Service is arguing that tax credits derived from the non-cumulative regime may not be used to offset contributions owed under the cumulative regime. The total amount of the tax assessments is approximately R\$54.9 million (approximately Ps.411.8 million), including R\$24.1 million (approximately Ps.180.8 million) of taxes and contributions plus R\$30.8 million (approximately Ps.231 million) of fines and interest. Claro Brasil has challenged these assessments, and the challenge is pending before the Brazilian Taxpayers Council.

On December 31, 2005, ATL was merged into BCP. In April 2008, BCP changed its name to Claro Brasil.

Claro Brasil did not make any specific provisions in its financial statements to cover these potential liabilities.

Conecel**Tax Assessments**

During 2008, Conecel filed administrative proceedings before the Ecuadorian Revenue Services (Servicio de Rentas Internas de Ecuador, or the "SRI"), challenging US\$127 million (approximately Ps.1,658.6 million) of certain tax assessments notified by the SRI amounting to U.S.\$138 million (not including interest and penalties) (approximately Ps.1,802.3) which related to special consumption (ICE), value-added, income and withholding taxes for the years 2003 to 2006. In March 2008, Conecel paid to the SRI U.S.\$14.3 million (approximately Ps.186.8 million) in respect of the aforesaid tax assessments.

In December 2008, the SRI notified Conecel of a resolution that denied the challenges filed by Conecel against the tax assessments. As a result of the foregoing, on January 15, 2009, Conecel filed a lawsuit before a Tax Court in Guayaquil (Tribunal Distrita de lo Fiscal de Guayaquil) challenging the tax assessments, attaching a bank guarantee of US\$12.7 (approximately Ps.165.9 million), which represented 10% of the contested amount.

In May, 2009, the SRI filed the answer to the complaint. Immediately thereafter, the Tax Court opened the evidentiary stage of the proceedings and summoned the parties to several document exhibition hearings, which took place in Conecel and the SRI. Accountant experts, certified by the parties, were also summoned to the hearings and were responsible for issuing expert opinions as to the document exhibition process. The latest expert opinion was filed before the Tax Court on January 27, 2010.

16 Related Parties

a) An analysis of balances due from/to related parties at December 31, 2008 and 2009 is provided below. All the companies are considered affiliates since América Móvil's primary shareholders are also either directly or indirectly the controlling shareholders of the related parties.

	December 31	
	2008	2009
Due from:		
Teléfonos de México, S.A.B. de C.V. and subsidiaries	Ps. 704,038	Ps. 274,481
Telmex Internacional, S.A.B. de C.V.	20,004	25,628
Teléfonos del Noroeste S.A. de C.V.	34,709	92,649
Sanborn Hermanos, S.A.	100,214	62,224
Sears Roebuck de México, S.A. de C.V.	33,845	12,944
Other	159,986	170
Total	Ps. 1,052,796	Ps. 468,096

Due to:		
Fianzas Guardian Inbursa, S.A. de C.V.	Ps. 77,232	Ps. 108,698
Seguros Inbursa, S.A. de C.V.	75,686	114,797
Embratel Participacoes, S.A.	499,303	615,804
Other	270,033	205,856
Total	Ps. 922,254	Ps. 1,045,155

b) América Móvil receives services from several subsidiaries of Grupo Carso, S.A. de C.V.; Grupo Financiero Inbursa, S.A. de C.V. (Inbursa); Teléfonos de México, S.A.B. de C.V. and subsidiaries (Telmex), and Telmex Internacional, S.A.B. de C.V. and subsidiaries (Telmex Internacional). The Company's transactions with Telmex include, among others, the interconnection of their respective networks and the use of the related party's facilities, specifically the co-location of switchboard equipment in the facilities owned by Telmex. The Company's transactions with Inbursa include insurance and bank services, among others.

c) América Móvil has entered into an agreement with AT&T (Major shareholder and related party) to receive consultancy services. In 2008 and 2009, the Company paid US\$ 7.5 million (Ps. 101,500 million and Ps. 100,474 million, respectively) for services received.

d) For the years ended December 31, 2007, 2008 and 2009, the Company conducted the following transactions with related parties (mainly with Telmex and Telmex Internacional):

	2007	2008	2009
Revenues:			
Calling Party Pays interconnection fees and others	Ps. 19,702,718	Ps. 19,372,722	Ps. 18,070,319
Costs:			
Payments for long-distance, circuits and others	6,891,049	7,049,264	7,217,809
Commercial, administrative and general expenses:			
Others, net	896,249	1,202,526	1,327,414
Interest expense, net		(161,798)	

e) 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.

f) Claro Chile and Telmex Chile entered into an agreement for the provision of capacity, whereby the latter agrees to provide the former with capacity and infrastructure use over the following 20 years. The amount recorded in results of operations for the years ended December 31, 2007, 2008 and 2009 for this agreement was US\$US\$ 222 million (Ps. 2,412,000), US\$US\$ 218 million (Ps. 2,951,000) and US\$US\$ 265 million (Ps. 3,460,555), respectively.

g) In 2005, Telmex Argentina, a subsidiary of Telmex Internacional, and AMX Argentina (formerly, CTI Móvil) agreed to jointly install a network of fiber optic trunk lines in Argentina approximately 1,943 kilometers in length. The project was completed in 2009 at an approximate cost of Ps. 313,410 (US\$US\$ 24 million).

In 2009, AMX Argentina began the construction of approximately 3,100 Kilometers of fiber optic transmission lines in southern Argentina. The approximate total cost of this project will be Ps. 502,760 (US\$US\$ 39 million) Once the work is finalized, AMX Argentina plans to enter into a 30-year rights of use agreement with Telmex Argentina (subsidiary of Telmex Internacional). Additionally, Telmex Internacional transferred to the Company the rights to use for 15 years the fiber optic ring serving the Buenos Aires metropolitan area (commonly known in Argentina the AMBA), which covers most of the urban links of the greater Buenos Aires area (commonly known in Argentina as Gran Buenos Aires) with an approximate value of Ps. 2,100 (US\$ 0.6 million).

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

i) In November 2005, Embratel entered into an agreement with Claro Telecom Participacoes to provide trunk line capacity to the operating subsidiaries in Brazil for a period of 20 years. Through this contract, the subsidiaries in Brazil are obligated to pay monthly fees to Embratel of between 4.0 million Brazilian reais and 6.0 million Brazilian reais (approximately Ps. 24.5 million and Ps. 36.8 million, respectively), depending on the number of months that have passed as of the signing of the agreement (fixed capacity in the agreement of 84,608 Gbps).

j) In the normal course of operations, the Company's subsidiaries in Brazil have entered into lease agreements with Embratel. The total annual rent under such lease agreements is approximately 1.27 million Brazilian reais (approximately Ps. 9.52 million).

k) On December 26, 2006, CICS Perú S.A., Telmex Peru, S.A. and América Móvil Perú, SAC entered into a turnkey fiber optic network construction contract for approximately US\$ 43 million. Such contract has totally been concluded in November 2009.

l) An analysis of employee benefits granted to the Company's key managers or relevant directors is as follows:

	2007	2008	2009
Short- and long-term direct benefits	Ps. 30,302	Ps. 34,300	Ps. 35,835

During the years ended December 31, 2007, 2008, and 2009, the Company made no termination payments.

m) As mentioned in Note 3 above, in December 2008, the Company's shares in USCO were donated to Carso Foundation (related party).

17 Shareholders' Equity

Shares

a) In July 2005, the Company carried out a three-for-one share split of its outstanding shares, as was approved at the extraordinary shareholders' meeting held on April 27, 2005. As a result, the Company's capital stock at December 31, 2007, 2008 and 2009 was represented by 34,897,833,852 shares (11,712,316,330 of Series "AA", 547,508,654 of Series "A" and 22,638,008,877 of Series "L") for 2007, 33,250,796,049 shares (11,712,316,330 of Series "AA", 480,036,244 of Series "A" and 21,058,443,475 of Series "L") for 2008 and 32,283,917,456 shares (11,712,316,330 of Series "AA", 450,920,648 of Series "A" and 20,120,680,478 of Series "L") for 2009, with no par value and limited voting rights ("Series L"). Such amounts include the retroactive effect of the split mentioned above and the effect of the merger as mentioned in the next paragraph. These shares represented the Company's fixed minimum capital at such dates.

b) The Company's capital stock before the 2006 merger with América Telecom consisted of a fixed amount of Ps. 402,900 (historical), represented by 48,348,005,796 shares (including treasury shares for re-subscription in terms of the Securities Trading Act and the general provisions issued by the National Securities and Bonding Commission [NSBC]), consisting of: (i) 11,420,301,030 common registered Series "AA" shares, with no par value; (ii) 979,846,541 common registered Series "A" shares, with no par value and; (iii) 35,947,858,245 registered Series "L" shares, with no par value and limited voting rights. All of the above-mentioned shares were fully subscribed and paid in.

c) After the merger, the Company's capital stock consisted of a fixed amount of Ps. 397,873 (historical), represented by 47,744,862,098 shares (including treasury shares for re-subscription in terms of the Securities Trading Act and the general provisions issued by the NSBC, consisting of: (i) 11,717,316,330 common registered Series "AA" shares; (ii) 599,818,479 common registered Series "A" shares; (iii) 35,427,727,289 registered Series "L" shares. All of the above-mentioned shares were fully subscribed and paid in.

d) At December 31, 2007, 2008 and 2009, the Company had treasury shares for re-subscription in terms of the Securities Trading Act and the general provisions issued by the NSBC as follows: 12,847,028,246 shares (12,814,643,242 Series "L" and 32,385,004 Series "A") for 2007, 14,494,066,049 shares (14,460,871,645 Series "L" and 33,194,404 Series "A") for 2008 and 15,460,944,642 shares (15,423,542,538 Series "L" and 37,402,104 Series "A") for 2009.

e) Holders of Series "AA" and Series "A" shares have full voting rights. Holders of Series "L" shares are entitled to vote only to elect two members of the Board of Directors and the corresponding alternate directors and on the following matters: extension of the term of América Móvil, its voluntary dissolution, a change in its corporate purpose or nationality, transformation of América Móvil from one type of company to another and mergers, as well as the cancellation of the registration of the shares issued by the Company in the National Registry of Securities and Intermediaries and in other foreign stock exchanges, with the exception of valuation systems or other markets not organized as stock exchanges.

The Company's bylaws contain restrictions and limitations related to the subscription and acquisition of Series "AA" shares by foreign investors.

f) In conformity with the Company's bylaws, Series "AA" shares must represent at all times no less than 20% and no more than 51% of the Company's capital stock and also must represent at all times no less than 51% of the combined number of common registered shares (with full voting rights represented by Series "AA" and Series "A" shares).

Series "AA" shares may only be subscribed or acquired by Mexican individuals, Mexican corporations and trusts expressly authorized to do so in conformity with the applicable legislation in force. Common "A" shares, which may be freely subscribed, must represent no more than 19.6% of the Company's capital stock and no more than 49% of its common shares. Common registered shares (with full voting rights represented by Series "AA" and Series "A" shares) may not exceed 51% of the Company's capital stock. Lastly, the combined number of Series "L" shares, which have limited voting rights and may be freely subscribed, and Series "A" shares may not exceed 80% of the Company's capital stock. For purposes of determining these restrictions, the percentages mentioned above refer only to the number of shares outstanding.

Dividends

g) On April 27, 2007, the Company's stockholders declared a cash dividend of Ps. 0.20 per Series "AA", "A" and "L" share, for a total distribution of Ps. 6,712,544, payable in full on July 27, 2007 against coupon No. 22 of the titles that represent the Company's capital stock.

On October 29, 2007, the Company's stockholders declared a cash dividend of Ps. 1.00 per Series "AA", "A" and "L" share, for a total distribution of Ps. 35,414,993, payable in full on November 6, 2007 against coupon No. 23 of the titles that represent the Company's capital stock.

On April 29, 2008, the Company's stockholders approved payment of a cash dividend of Ps. 0.26 per Series "AA", "A" and "L" share, for a total distribution of Ps. 8,904,997, payable in full on July 25, 2008 against coupon No. 24 of the titles that represent the Company's capital stock.

On April 20, 2009, the Company's stockholders approved payment of a cash dividend of Ps. 0.30 per Series "AA", "A" and "L" share, for a total distribution of Ps. 9,812,319, payable in full on July 24, 2009 against coupon No. 25 of the titles that represent the Company's capital stock.

On December 1, 2009, the Company's stockholders approved payment of a cash dividend of Ps. 0.50 per Series "AA", "A" and "L" share, for a total distribution of Ps. 16,166,730, payable in full on December 10, 2009 against coupon No. 26 of the titles that represent the Company's capital stock.

All the information has been adjusted to give effect to the split and the merger; consequently, the information above may not necessarily coincide with the information shown in the Company's legal records of the dates on which the stockholders' meetings were held.

The aforementioned dividends were paid from the Net tax profit account (CUFIN) of the Company.

Repurchase of shares

h) During the three-year period ended December 31, 2009, the Company has repurchased shares, as shown below. The amount of the repurchase price in excess of the capital stock represented by the shares was charged to retained earnings:

Year	No. of shares in millions		Amount in thousands of Mexican pesos		Historical amount in thousands of Mexican pesos	
	Series L	Series A	Series L	Series A	Series L	Series A
2007	405	0.8	Ps. 12,829,295	Ps. 27,143	Ps. 12,617,400	
2008	1,646	0.8	41,736,011	19,558	41,736,011	Ps. 19,558
2009	962	4	Ps. 24,587,700	Ps. 118,016	Ps. 24,587,700	118,016

i) In conformity with Article 20 of the Mexican Corporations Act, at least 5% of the Company's net income of the year must be appropriated to increase the legal reserve. This practice must be continued each year until the legal reserve reaches at least 20% of capital stock.

18 Income Tax, Flat Rate Business Tax and Asset Tax

I) Mexico

a) Effective January 2002, the Ministry of Finance and Public Credit authorized América Móvil to consolidate its tax results with those of its Mexican subsidiaries.

Tax consolidation is a legal precept in Mexico that consists of presenting the tax results of all Mexican subsidiaries and the controlling company (América Móvil, as a legal entity) together as a single legal entity.

b) Asset Tax (AT) and Flat Rate Business Tax (FRBT)

Through 2007, the asset tax was payable based on 1.25% of the average value of most assets.

Beginning January 1, 2008, the Flat-Rate Business Tax (FRBT) Law abolished the Asset Tax Law. The FRBT Law establishes a procedure for determining asset tax payable through December 2007, which can be recovered beginning in 2008.

Current-year FRBT is computed by applying the 16.5% (17% for 2009) to income determined on the basis of cash flows, net of authorized credits.

FRBT credits result mainly from the negative FRBT base to be amortized, salary and social security contribution credits, and credits arising from the deduction of certain assets, such as inventories and fixed assets, during the transition period as of the date on which the FRBT became effective.

FRBT is payable only to the extent it exceeds income tax for the same period. To determine FRBT payable, income tax paid in a given period is first subtracted from the FRBT of the same period.

When the FRBT base is negative because deductions exceed taxable income, there is no FRBT payable. The amount of the negative base multiplied by the FRBT rate results in a FRBT credit, which may be applied against income tax for the same year or, if applicable, against FRBT payable in the next ten years.

c) Corporate income tax rate

i) The corporate income tax rate for 2007, 2008 and 2009 was 28% in Mexico.

ii) An analysis of income tax charged to results of operations for the years ended December 31, 2007, 2008 and 2009 is as follows:

	2007	2008	2009
In Mexico:			
Current year income tax	Ps. 11,096,983	Ps. 16,358,514	Ps. 17,371,300
Deferred income tax	5,250,377	(361,855)	948,916
Deferred FRBT	117,237	—	—
Asset tax	1,080,303	—	—
Effect of decrease in tax rate	—	—	(279,837)
Abroad:			
Current year income tax	5,617,616	8,594,349	10,303,070
Deferred income tax	(708,249)	(4,702,671)	(6,084,141)
Total	Ps. 22,454,267	Ps. 19,888,337	Ps. 22,259,308

iii) A reconciliation of the statutory corporate income tax rate to the effective tax rate recognized by the Company for financial reporting purposes is as follows:

	2007	Year ended December 31, 2008	2009
Statutory income tax rate in Mexico	28.0%	28.0%	28.0%
Effect of non-taxable, non-deductible items:			
Tax inflation effect	0.4	3.2	1.1
Asset tax	(0.4)	—	—
Tax benefit from tax consolidation	(1.0)	—	—
Tax benefit derived from carryforward of tax losses	(1.8)	—	—
Operations of subsidiaries abroad	(0.9)	(3.2)	(1.0)
Other	0.6	0.3	1.8
Effective tax rate on Mexican operations	24.9	28.3	29.8
Tax reversal of NOLs and temporary differences from Brazil	—	(4.2)	(5.1)
Tax credits compensation	—	(1.3)	(1.8)
Revenues and costs of foreign subsidiaries	2.7	(2.2)	(0.5)
Effective income tax rate before effect derived from the recognition of deferred FRBT	27.6%	25.0%	22.4%
Deferred FRBT	0.1	—	—
Effective income tax rate	27.7%	25.0%	22.4%

iv) An analysis of the effects of temporary differences on net deferred tax liabilities is as follows:

	December 31,	
	2008	2009
Deferred tax assets		
Accrued liabilities	Ps. 1,697,482	\$ 2,299,510
Other	557,010	892,856
Deferred income	1,719,045	1,760,799
Tax losses	8,544,867	10,776,987
	12,518,404	15,730,152
Deferred tax liabilities		
Fixed assets	(5,468,840)	(5,488,079)
Sale and leaseback	(1,668,061)	(1,470,520)
Inventories	(540,716)	(534,474)
Licenses	(346,387)	(350,230)
Deferred effects of tax consolidation in Mexican subsidiaries	(4,101,855)	(3,218,858)
Futures agreements with affiliates	(1,893,720)	(2,829,468)
Royalty advances	(1,630,000)	(3,030,000)
Tax losses from Mexican subsidiaries	(6,574,533)	(8,854,119)
Effect of translation of foreign subsidiaries	(2,825,486)	(10,276,172)
Other	(592,575)	(914,712)
	(25,642,173)	(36,966,632)
Plus:		
Valuation allowance	(1,497,306)	(1,325,602)
Other	—	279,837
Total deferred tax liability, net	Ps. (14,621,075)	\$ (22,282,245)

An analysis of the temporary differences that comprise the net deferred tax asset at December 31, 2008 and 2009 is as follows:

	December 31,	
	2008	2009
Deferred tax assets		
Accrued liabilities	Ps. 3,630,658	Ps. 7,514,024
Fixed assets	771,771	791,803
Deferred revenues	46,308	35,300
Other	1,386,356	2,165,169
Tax losses	15,265,167	17,800,092
	21,100,260	28,306,388
Deferred tax liabilities		
Sale and leaseback	(41,424)	(25,063)
Licenses	(110,803)	(14,303)
Other	(18,779)	(20,603)
	(171,006)	(59,969)
Less: Valuation allowance	(11,632,887)	(12,337,624)
Total deferred tax asset, net	Ps. 9,296,367	Ps. 15,908,795

At December 31, 2008 and 2009, the table shown above includes the deferred tax asset of TracFone, Enitel and Puerto Rico. The deferred tax asset in Puerto Rico refers to the income tax benefit this subsidiary will enjoy upon settling its labor obligations. Deferred taxes also include an account receivable arising from differences in the book and tax values of the plant and equipment of Comcel in Colombia.

Additionally, there is a deferred income tax asset recognized in Brazil resulting from tax losses obtained at the time of acquisition and subsequent to the acquisition date, as well as other temporary differences. In 2008 and 2009, the valuation allowance related to this deferred income tax asset was reduced, resulting in a credit of Ps. 4,428,593 and Ps. 6,419,448, respectively, to deferred income tax expense.

g) Changes in Mexican tax legislation effective beginning in 2010

On December 7, 2009, the Mexican Congress passed a tax reform bill that includes an increase in the corporate income tax rate from 28% to 30% from 2010 until 2012, which will then decrease to 29% for 2013 and 28% for 2014 and thereafter.

The effect of such change in the income tax rate represented a decrease of Ps. 279,837 in the Company's deferred income tax liability, since the reversal amount of certain differences in balance sheet accounts for financial and tax reporting purposes was calculated using the 30% statutory rate.

Dividends paid from sources other than the Net taxed profits account (CUFIN) will be subject to the following gross-up or split factors:

Year	Gross-up factor
2009	1.3889
2010 to 2012	1.4286
2013	1.4085
2014 and thereafter	1.3889

Tax consolidation

Additionally, the 2010 Mexican Tax Reform establishes a procedure for a partial or total deconsolidation for certain items that, under the tax consolidation regulations previously permitted under the law, had been deferred from 2004 to date. Such items are as follows:

- Tax losses of the controlling company or controlled companies
- Loss on sale of shares issued by controlled companies
- Book dividends paid from sources other than the CUFIN
- Adjustments from changes in equity interest percentages
- As of 2010, the deferred-payment procedure must include the difference in CUFIN between the controlled companies and the controlling company.

The payment schedule for aforementioned items in the case of a partial deconsolidation would be remitted as follows depending on the year in which the original tax benefit was taken in the tax consolidation:

Year	Portion to be remitted
2010	25%
2011	25%
2012	20%
2013	15%
2014	15%

The Company's deferred tax consolidation items are represented primarily by tax losses that were previously benefited in the Company's tax consolidation but that now should be remitted. These amounts may now be carried forward on an individual basis by the individual companies. Such amounts are presented in the deferred tax table above, with retrospective disclosure for comparable amounts in the prior year.

h) At December 31, 2009, the balance of the Company's Restated contributed capital account (CUCA) and Net tax profit account (CUFIN) aggregated Ps. 105,262,200 and Ps. 3,758,442, respectively.

II) Subsidiaries abroad

a) Net income

The foreign subsidiaries determine their income tax based on the individual results of each subsidiary and in conformity with the specific tax regime of each country. An analysis of the aggregate pretax income and aggregate tax provisions of these subsidiaries in 2007, 2008 and 2009 is as follows:

Item	December 31,		
	2007	2008	2009
Aggregate pretax income	Ps. 22,894,721	Ps. 21,354,353	Ps. 45,150,209
Aggregate tax provisions, including deferred taxes	4,909,367	3,891,678	4,218,929

b) Tax losses

At December 31, 2009, América Móvil's foreign subsidiaries had available tax loss carryforwards as follows:

Country	Available tax loss carryforward at	
	December 31, 2009	Future tax benefit
Chile	Ps. 11,310,990	Ps. 1,922,868
Brazil	50,051,386	17,517,985
Mexico	31,621,853	8,854,119
Puerto Rico	773,223	270,628
USA	32,797	11,479
Total	Ps. 93,790,249	Ps. 28,577,079

The tax loss carryforwards in the different countries in which the Company operates have the following expiration dates and characteristics:

- In Brazil tax loss carryforwards do not expire; however, the carryforward amount that may be utilized in each year may not exceed 30% of the tax base for such year, so that in the year on which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate rate.
- In Chile, the tax loss carryforward have no expiration date. The corporate tax rate is 17%; therefore, at the time tax losses are incurred taxpayers may enjoy a maximum 17% benefit of the amount of the loss.

19 Segments

América Móvil operates primarily in one operating segment (cellular services); however, as mentioned in Note 1 above, the Company has international telecommunications operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Brazil, Argentina, Colombia, United States, Honduras, Chile, Peru, Paraguay, Uruguay, the Dominican Republic, Puerto Rico, Jamaica, and Panama. The accounting policies for the segments are the same as those described in Note 2.

Company's management analyzes the financial and operating information by geographical segment. However, the information for significant countries, whose revenues aggregates more than 10% of consolidated revenues and more than 10% of consolidated assets, is presented separately.

	Mexico ⁽¹⁾	Brazil	Southern Cone ⁽²⁾	Colombia and Panama	Andean ⁽³⁾	Central America ⁽⁴⁾	U.S.A. ⁽⁵⁾	Caribbean ⁽⁶⁾	Dominican Republic	Eliminations	Consolidated total
December 31, 2007											
Operating revenues	144,895,069	58,304,614	27,236,872	29,614,027	16,210,004	16,917,573	15,603,705	9,779,538	10,990,058	(17,971,698)	311,579,762
Depreciation and amortization	7,661,902	13,970,397	2,664,336	6,841,611	1,930,027	3,837,280	282,504	1,982,504	1,235,457	–	40,406,018
Operating income	59,160,330	607,980	2,690,863	7,616,334	3,724,817	4,697,885	1,503,392	1,331,978	3,945,926	(85,167)	85,194,338
Interest expense	6,804,449	1,012,354	728,647	575,174	208,798	185,594	–	212,407	64	(2,030,520)	7,696,967
Segment assets	571,661,701	95,359,385	32,281,803	40,697,444	21,629,821	34,747,392	6,710,313	20,095,070	33,059,612	(507,121,226)	349,121,315
Plant, property and equipment, net	32,390,036	42,547,172	19,112,976	20,474,373	9,549,744	20,512,204	571,199	12,660,352	9,265,850	–	167,083,906
Goodwill, net	–	–	588,636	3,715,153	3,474,354	5,006,284	781,201	17,649,531	13,509,713	–	44,724,872
Trademarks, net	–	2,209,526	978,550	1,124,645	195	671,561	–	328,495	288,182	–	5,601,154
Licenses, net	4,989,973	23,284,334	1,686,476	2,455,911	1,437,380	1,118,672	–	1,591,558	–	–	36,564,304
December 31, 2008											
Operating revenues	166,582,112	70,484,150	30,541,276	32,621,989	20,217,826	16,051,352	16,545,768	12,883,853	11,240,768	(31,514,186)	345,654,908
Depreciation and amortization	9,164,283	15,101,006	3,043,500	4,223,943	1,862,316	4,216,965	312,134	2,490,675	1,352,487	–	41,767,309
Operating income	60,911,024	1,584,203	5,701,590	10,911,635	5,284,123	3,072,735	943,099	1,611,954	3,373,114	2,152,670	95,546,147
Interest expense	8,880,448	1,125,054	533,162	599,818	289,439	340,366	179	113,273	52	(2,931,229)	8,950,562
Segment assets	729,196,475	104,288,579	42,051,725	54,579,734	35,066,903	47,566,628	9,993,465	27,838,108	39,816,155	(654,942,302)	435,455,470
Plant, property and equipment, net	40,100,016	47,003,912	23,942,465	23,849,740	13,075,185	29,792,843	684,644	17,871,323	13,576,692	–	209,896,820
Goodwill, net	–	–	575,985	4,156,145	3,843,755	4,657,139	781,201	17,614,553	13,067,503	–	44,696,281
Trademarks, net	–	1,753,208	847,843	960,133	141	697,252	–	400,742	351,220	–	5,010,539
Licenses, net	4,496,065	24,987,341	1,617,912	3,492,207	5,431,289	1,175,155	–	1,899,016	–	–	43,098,985
December 31, 2009											
Operating revenues	171,338,315	82,300,043	37,134,845	37,031,154	26,087,222	18,136,936	22,856,621	14,779,556	14,249,533	(29,203,194)	394,711,031
Depreciation and amortization	10,612,448	18,503,915	3,589,028	6,212,512	2,777,377	5,991,156	385,210	3,110,293	1,900,368	–	53,082,307
Operating income	66,956,926	1,367,578	7,577,580	11,852,749	7,668,006	1,935,719	956,112	361,472	3,891,136	1,641,678	104,208,955
Interest expense	7,514,531	1,662,272	377,327	536,275	635,370	423,766	–	58,730	–	(3,797,957)	7,410,314
Segment assets	825,120,225	139,554,893	43,608,175	57,077,379	37,805,040	39,002,035	9,816,822	26,853,227	39,870,958	(765,700,793)	453,007,961
Plant, property and equipment, net	39,776,646	61,517,942	25,583,969	27,960,767	13,888,045	27,156,572	673,774	17,674,928	12,816,366	–	227,049,009
Goodwill, net	–	–	589,017	4,378,428	3,675,875	4,609,315	781,201	17,584,720	14,186,723	–	45,805,279
Trademarks, net	–	1,296,921	670,376	795,621	54	538,041	–	339,690	333,824	–	3,974,527
Licenses, net	4,002,012	26,434,667	1,621,484	1,868,826	4,979,917	2,024,032	–	1,651,593	–	–	42,582,531

⁽¹⁾ Mexico includes Telcel and corporate operations and assets

⁽²⁾ Southern Cone includes Argentina, Chile, Paraguay and Uruguay

⁽³⁾ Andean includes Ecuador and Peru.

⁽⁴⁾ Central America includes Guatemala, El Salvador, Honduras, and Nicaragua

⁽⁵⁾ Excludes Puerto Rico

⁽⁶⁾ Caribbean includes Puerto Rico and Jamaica

20 Subsequent Events

a) On January 13, 2010, the Company announced that it will launch a tender offer to the shareholders of Carso Global Telecom, S.A.B. de C.V. ("Telecom") for the exchange of the shares they hold in Telecom for shares in América Móvil. The exchange ratio would be 2.0474 to 1, which means that the shareholders of Telecom would receive 2.0474 shares of América Móvil per each share of Telecom

Should this offer be accepted by the shareholders of Telecom, América Móvil would indirectly acquire 59.4% of the outstanding shares of Teléfonos de México, S.A.B. de C.V. ("Telmex") and 60.7% of the shares of Telmex Internacional, S.A.B. de C.V. ("Telmex Internacional"). At December 31, 2009, the net debt of Telecom was approximately Ps. 22,017 million. América Móvil also announced that it will make an offer to the shareholders of Telmex Internacional for the exchange or purchase of shares in Telmex Internacional not already owned by Telecom (39.3%). The exchange ratio would be 0.373 per share of América Móvil share per share of Telmex Internacional or, if paid in cash, the purchase price would be Ps. 11.66 per share.

In the event that, at completion of the processes described above, a sufficient number of shares are obtained, it is intended to delist both Telecom and Telmex Internacional in the various securities markets in which their shares are registered. These transactions were approved by the Board of Directors of América Móvil on January 13, 2010.

On February 11, 2010, the Comisión Federal de Competencia Económica ("Mexican Federal Antitrust Commission" or "COFECO") approved these transactions through a resolution that confirms that the transaction would represent a corporate restructuring that would have no bearing whatsoever on the structure of the markets in which the companies involved do business.

b) On March 4, 2010, the Company issued Domestic Senior Notes based on the program that was authorized by the National Banking and Securities Commission and is registered under the number 2723-4.15-2008-006 in the National Securities Register.

The issuance was for an amount of Ps. 14,881,331, in three tranches, one for Ps. 4,600,000, with a maturity in February 2015, at an interest rate of 5.32%; the second tranche was issued in Investment Units (IU) that amounted to 743,487,900 (IU) (Ps. 3,281,331), with a maturity in February 2020 and the last tranche amounted to Ps. 7,000,000, with a maturity in February 2025, at an interest rate of 8.6%.

CONSOLIDATED FINANCIAL STATEMENTS

(NOT AUDITED) FOR THE PERIOD JANUARY – JUNE 2010

Beginning on January of 2010, América Móvil's financial statements are presented in accordance to International Financial Reporting Standards (IFRS) both at the consolidated and subsidiary levels. The move towards IFRS is mandatory for all Mexican listed companies, which are obliged to adopt them by January 1st, 2012 at the latest. The main change regarding the income statement is that revenues are now presented net of commissions to postpaid distributors and the cost of loyalty programs.

CONTENTS

Consolidated Statements of Financial Position	75
Condensed Consolidated Statements of Comprehensive Income	76
Consolidated Statement of Cash Flows	77
Consolidated Statements of Changes in Equity	78
Glossary of Terms	80

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	June 30		December 31
	2010	2009	2008
Current assets:			
Cash and cash equivalents	\$ 154,740,215	\$ 19,659,409	\$ 27,445,880
Accounts receivable, net	48,909,874	47,195,275	55,918,984
Derivative financial instruments		8,361	
Related parties	582,409	1,725,821	468,096
Inventories	20,982,658	21,557,078	21,536,018
Other current assets, net	5,867,507	5,816,164	2,720,983
Total current assets	231,082,663	95,953,747	108,098,322
Non-current assets:			
Property, plant and equipment	210,457,652	215,625,812	224,740,396
Licenses	36,369,907	42,776,486	41,847,261
Trademarks	3,436,346	4,471,314	3,974,527
Goodwill	45,971,169	44,663,812	45,805,279
Investment in associate and others	105,416,289	897,490	974,693
Deferred taxes	14,699,304	8,020,007	16,057,781
Other non-current assets, net	7,928,490	4,699,531	5,111,737
Total assets	\$ 655,361,820	\$ 417,108,199	\$ 446,609,996
Liabilities and equity			
Current liabilities:			
Short-term debt and current portion of long-term debt	\$ 7,841,467	\$ 12,686,534	\$ 9,167,941
Accounts payable and accrued liabilities	103,301,196	92,096,073	95,924,147
Taxes payable	14,414,469	10,862,307	16,716,549
Derivative financial instruments	263,475	99,475	
Related parties	1,067,171	198,336	1,045,155
Deferred revenues	17,362,881	15,131,623	17,880,551
Total current liabilities	144,250,659	131,074,348	140,734,343
Long-term debt	218,906,848	102,455,848	101,741,199
Deferred taxes	13,996,865	17,727,317	14,019,035
Employee benefits	10,879,279	11,055,943	11,214,341
Total liabilities	388,033,651	262,313,456	267,708,918
Equity:			
Capital stock	99,418,629	26,751,262	26,747,265
Retained earnings:			
Prior years	124,735,716	91,373,879	61,834,816
Profit for the period	35,605,692	39,370,745	76,349,771
Total retained earnings	160,341,408	130,744,624	138,184,587
Effect of translation of foreign entities	6,831,383	(3,333,749)	13,236,787
Equity attributable to equity holders of the parent	266,591,420	154,162,137	178,168,639
Non-controlling interests	736,749	632,606	732,439
Total equity	267,328,169	154,794,743	178,901,078
Total liabilities and equity	\$ 655,361,820	\$ 417,108,199	\$ 446,609,996

Condensed Consolidated Statements of Comprehensive Income

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

For the six-month period ended June-30

	2010	2009
Operating revenues:		
Net service revenues	\$ 176,409,333	\$ 160,418,043
Net sale of equipment and accessories	23,138,652	19,552,547
Total net revenues	199,547,985	179,970,590
Operating costs and expenses:		
Cost of terminal equipment and accessories	36,525,546	34,640,872
Cost of services	47,661,623	40,463,031
Commercial, administrative and general expenses	31,109,338	28,898,033
Depreciation and amortization	25,971,891	22,210,581
Total operating costs and expenses	141,268,398	126,212,517
Operating profit	58,279,587	53,758,073
Financing cost:		
Interest income	1,274,796	817,895
Interest expense	(4,623,569)	(3,953,121)
Exchange gain (loss), net	1,455,320	3,165,207
Other financing (costs) income, net	(2,535,061)	(381,413)
Total financing cost	(4,428,514)	(351,432)
Equity interest in net profit of associate	20,354	118,109
Profit before income tax	53,871,427	53,524,750
Income tax expense	18,229,865	14,108,357
Profit for the period	35,641,562	39,416,393
Other comprehensive income items:		
Effect of translation of foreign entities	(6,436,964)	(3,403,273)
Total other comprehensive income items for the Period	(6,436,964)	(3,403,273)
Total comprehensive income for the period	\$ 29,204,598	\$ 36,013,120
Profit for the period attributable to:		
Equity holders of the parent	\$ 35,605,692	\$ 39,370,745
Non-controlling interests	35,870	45,648
	\$ 35,641,562	\$ 39,416,393
Comprehensive income for the period attributable to:		
Equity holders of the parent	\$ 29,200,288	\$ 36,036,996
Non-controlling interests	4,310	(23,876)
	\$ 29,204,598	\$ 36,013,120
Earnings per share (basic and diluted in Mexican pesos)	\$ 1.08	\$ 1.20

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

For the six-month period ended June 30

	2010	2009
Operating activities		
Profit before income tax	\$ 53,871,427	\$ 53,524,750
Items not requiring the use of resources:		
Depreciation of property, plant and equipment	22,112,902	18,673,345
Amortization of licenses and trademarks	3,858,989	3,537,236
Equity interest in net profit of associate	(20,354)	(118,109)
Loss on sale of fixed assets	(4,497)	82,252
Labor cost	457,922	212,570
Unrealized exchange (gain) loss, net	(4,206,791)	1,669,816
Impairment in the value of long-lived assets	344,640	
Interest expenses	4,623,569	3,953,121
Other financing costs (income), net	(171,248)	(459,079)
Changes in operating assets and liabilities:		
Accounts receivable	6,432,810	2,764,472
Prepaid expenses	(1,398,265)	(3,400,331)
Related parties	(158,367)	3,155
Inventories	(54,344)	9,427,686
Other assets	(3,304,316)	(1,355,548)
Accounts payable and accrued liabilities	12,216,842	(13,886,029)
Tax payable	(3,576,740)	(1,040,685)
Income tax paid	(16,423,927)	(13,667,537)
Employee profit sharing paid	(1,173,762)	(781,197)
Derivative financial instruments	(1,276,102)	1,361,337
Deferred revenues	(426,861)	(901,889)
Employee benefits	(362,480)	(250,098)
Net cash flows from operating activities	71,361,047	59,349,238
Investing activities		
Acquisition of property, plant and equipment	(28,043,435)	(18,765,694)
Business acquisitions	(27,776,941)	
Fixed asset sales	26,071	65,593
Net cash flows used in investing activities	(55,794,305)	(18,700,101)
Net cash flows before financing activities	15,566,742	40,649,137
Financing activities		
Loans obtained	\$ 124,571,594	\$ 13,878,562
Repayment of loans	(3,851,352)	(41,944,085)
Interest paid	(3,637,245)	(4,576,971)
Repurchase of shares	(5,416,749)	(10,389,092)
Payment of dividends	(22,970)	(1,536)
Net cash flows provided by (used in) financing activities	111,643,278	(43,033,122)
Net increase (decrease) in cash and cash equivalents	127,210,020	(2,383,985)
Adjustments to cash flows due to exchange rate fluctuations	84,315	(48,745)
Cash and cash equivalents at beginning of period	27,445,880	22,092,139
Cash and cash equivalents at end of period	\$ 154,740,215	\$ 19,659,409

Consolidated Statements of Changes in Equity

For the six-month period ended June 30, 2010
(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Total retained earnings	Effect of translation of foreign entities	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance at December 1, 2009	\$ 26,747,265	358,440	137,826,147	138,184,587	13,236,787	178,168,639	732,439	178,901,078
Profit for the period			35,605,692	35,605,692		35,605,692	35,870	35,641,562
Other comprehensive income items					(6,405,404)	(6,405,404)	(31,560)	(6,436,964)
Comprehensive income for the period			35,605,692	35,605,692	(6,405,404)	29,200,288	4,310	29,204,598
Dividends			(10,274,730)	(10,274,730)		(10,274,730)		(10,274,730)
Repurchase of shares	(1,582)		(5,631,881)	(5,631,881)		(5,633,463)		(5,633,463)
Acquisitions of entities under common control and non-controlling interest related to current period acquisitions	72,672,946		2,457,740	2,457,740		75,130,686		75,130,686
Balance at June 30, 2010	\$ 99,418,629	\$ 358,440	\$ 159,982,968	\$ 160,341,408	\$ 6,831,383	\$ 266,591,420	\$ 736,749	\$ 267,328,169

Glossary of Terms

ARPU – Average Revenue per User. The ratio of service revenues in a given period to the average number of wireless subscribers in the same period. It is presented on a monthly basis.

Capex – Capital Expenditure. Accrued capital expenditures related to the expansion of the telecommunications infrastructure.

Churn – Disconnection Rate. The ratio of wireless subscribers disconnected during a given period to the number of wireless subscribers at the beginning of that period.

EBIT – Earnings Before Interest and Taxes, also known as Operating Profit.

EBIT margin – The ratio of EBIT to total operating revenue.

EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortization.

EBITDA margin – The ratio of EBITDA to total operating revenue.

EDGE – Enhanced Data rates for GSM Evolution. A technology that gives GSM the capacity to handle data services for the third generation mobile telephony.

EPS (Mexican pesos) – Earnings per share. Total earnings in Mexican pesos divided by total shares.

Earnings per ADR (US\$) – Total earnings in U.S. dollars divided by total ADRs equivalent.

Equity subscribers – Subscribers weighted by the economic interest held in each company.

GSM – Global System for Mobile communications. It is the world's leading and fastest growing mobile standard.

GPRS – General Packet Radio Service. Enables GSM networks to offer higher capacity, Internet-based-content and packet-based data services. It is a second generation technology.

Gross additions – Total number of subscribers acquired during the period.

Licensed pops – Licensed population. Population covered by the licenses that each of the companies manage.

Market share – A company's subscribers base divided by the total number of subscribers in that country.

MOU – Minutes of Use per subscriber. The ratio of wireless traffic in a given period to the average number of wireless subscribers in that same period. It is presented on a monthly basis.

Net subscriber additions – The difference in the subscriber base from one period to another. It is the different between gross additions and disconnections.

Net debt – Total short and long term debt minus cash and marketable securities.

Net debt / EBITDA – The ratio of total short and long term debt minus cash and securities to trailing 12-month income before interest, taxes, depreciation and amortization.

Prepaid – Subscriber that may purchase airtime to recharge a cellular phone. The client does not hold a contract with the company for voice and data services.

Postpaid – Subscriber that has a contract for the use of airtime. The client has no need of activating airtime, it is done so immediately.

Push-to-talk – Enables compatible mobile phones to function like two-way radios.

SMS – Short Message Service.

SAC – Subscriber Acquisition Cost. The sum of handset subsidies, marketing expenses and commissions to distributors for handset activation. Handset subsidy is calculated as the difference between equipment cost and equipment revenues.

Wireless penetration – The ratio of total wireless subscribers in any given country divided by the total population in that country.

HSDPA – High-Speed Downlink Packet Access is a 3G mobile telephony communications protocol in the High-Speed Packet Access (HSPA) family, which allows networks based on Universal Mobile Telecommunications System (UMTS) to have higher data transfer speeds and capacity.

UMTS Universal Mobile Telecommunications System (UMTS) – is one of the third-generation (3G) cell phone technologies, which is also being developed into a 4G technology.

3G – is the third generation of mobile phone standards and technology, superseding 2G. Services include wide-area wireless voice telephony and broadband wireless data, all in a mobile environment.

SHAREHOLDER INFORMATION

Corporate Offices

Lago Alberto 366
Colonia Anáhuac
Mexico, D.F.
C.P. 11320

Investor relations

Contact: Daniela Lecuona
daniela.lecuona@americamovil.com
Lago Alberto 366
Telcel I, 2nd floor
Colonia Anáhuac
Mexico, D.F.
C.P. 11320
Tel.: 52 (55) 2581 4449
Fax: 52 (55) 2581 4422
www.americamovil.com

Shares traded in Mexico

"A": Bolsa Mexicana de Valores
Symbol: AMX A
"L": Bolsa Mexicana de Valores
Symbol: AMX L

Shares traded in the US

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

Depository agent in the US

The Bank of New York
Investor Services
P.O. Box 11258
Church Street Station
New York, NY 10286-1258
Toll Free Tel # for domestic callers:
1-888-BNY-ADR
www.stockbny.com
Contact:
Natalia Castillo

LATIBEX liaison

Santander Investment Services, S.A.
Ave. De Cantabria s/n
28660 Boadilla del Monte
Madrid, España
Tel: 34 (91) 289 39 43
Fax: 34 (91) 257 10 26

Independent Auditors

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





Corporate Offices
Lago Alberto 366 / Col. Anáhuac
Mexico, D.F. / C.P. 11320