América Móvil

2011 ANNUAL 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 over 800 million people. State-of-the-art products and quality services are available for more than 300 million acceses that make up América Móvil´s base including 242 million wireless subscribers, 29 million fixed lines, 15 million fixed broadband accesses and 13 million television subscribers. 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.

Coming Together

We have concluded a two-year period that was truly transformational for us. Our revenues shot up 57% and became more diversified as we become an integrated telecom operator in most of our markets. We consolidated our strategic position in the Latin American market and are ready to expand our reach to other regions.

Convergence

Technological convergence is driving the creation of integrated fiber-based networks that bring together different telecom platforms into one. With the acquisition of Telmex in Mexico and Telmex Internacional in South America, we have laid the ground for the development of major "data highways" to transport data to and from mobile devices, personal computers and TVs.

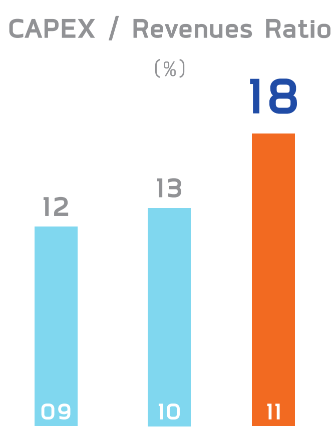
We are expanding the reach, capacity and velocity of our fiber-based networks and linking them to our mobile networks so that they become one and the same. We are already deploying what will be the first 4G mobile networks in Latin America. And in addition, we are building a monster submarine cable to connect the South American and the Caribbean with the U.S.

Our infrastructure will be second to none for the provision of data services throughout the region, including PayTV. This entails a major investment effort that required our stepping up our investment program by nearly 50% in 2011 to 10 billion dollars and will call for similar capital expenditures in the next three years.

9.7

Billion US dollars

CAPEX



Broadband Takeup

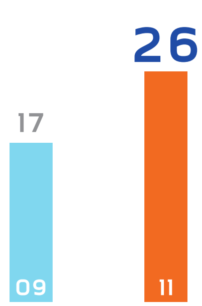
Throughout Latin America fixed-broadband penetration has been held back by the relatively high cost —for the region— of personal computers, the device required for accessing the service. But the sharp increase of late in the number of new devices —smartphones, tablets, netbooks— coming to market at lower and increasingly affordable prices than those of personal computers will result in a substantial jump in the number of persons with broadband services over the next several years.

Only one fourth of our postpaid subscribers in the region – which represent around 15% of the total – own a smartphone today, and the number of prepaid clients with smartphones is negligible. As their prices trend down they will be taken up by a growing number of persons. Smartphones will become attractive to the mass market in years to come and we believe most clients will have one.

It is expected that over the next few years most of the new broadband accesses will be mobile. However, there will be also a significant expansion of fixed-broadband accesses on the back of bundled products with telephony, broadband and even PayTV services provided in a single package. So-called triple play products are proving to be very popular in Latin America.

Share of data in mobile service revenues

(US$ millions)



43%

Annual growth rate of mobile data revenues

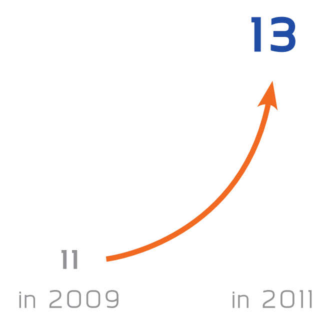
49%

Percentage of triple play bundles

in net adds of fixed line RGUs

Fixed broadband accesses

(millions)

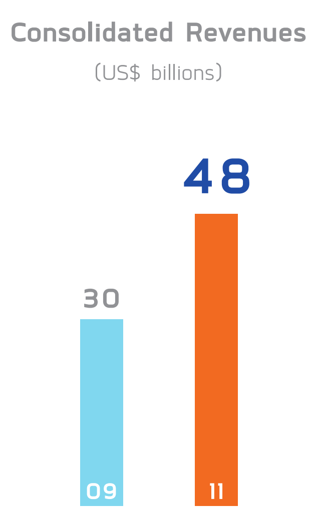


A New Player Emerges

We are today a very different firm from the one we were two years ago. Our revenues have shot up 57% and they come from more diversified sources, both geographically and by business line. PayTV services, which were not part of our portfolio of services, now account for 8% of our revenues.

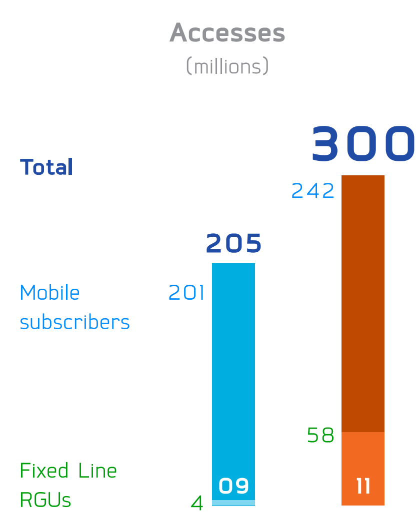
With over 300 million access lines, América Móvil is now the third operator in the world and one of the top ten by revenues and EBITDA. And we are one of the largest employers in the region with 158 thousand employees.

Our unsurpassed coverage, vast fixed-line infrastructure and capacity to deliver PayTV services over any platform —IPTV, cable, and satellite— give us the competitive edge to consolidate our presence in the region. We shall take full advantage of the opportunities that lay ahead in our markets. And are now prepared to do the same in other regions as well.



48
Billion US dollars
2011 Consolidated Revenues

300
millions
Total Accesses



Relevant Financial Data

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

	2011*	2010*	Var%	Millions of US Dollars 2011
Total Revenues	665,302	607,856	9.5%	47,553
EBITDA**	252,816	247,517	2.1%	17,782
EBITDA Margin	38.0	40.7		37.4
Operating Profit	154,775	152,321	1.6%	11,063
Operating Margin	23.3	25.1		23.3
Net Income	88,124	98,905	-10.9%	6,301
Earnings per Share (EPS, pesos)	1.13	1.34	-16.2%	0.08
Earnings per ADR (US dollars)	1.61	2.17	-26.0%	
Total Shareholders´ Equity	295,640	336,037	-12.0%	21,132
Total Assets	945,617	873,516	8.3%	67,590
Weighted Average Common Shares Outstanding (millions)	78,284	73,622		
Return on Equity	29.8%	29.4%		

** We determine EBITDA as shown in this reconciliation:

	2011*	2010*
Operating Income	154,775	152,321
Plus	—	—
Depreciation	82,642	80,295
Amortization	11,355	10,777
PTU	4,043	4,124
EBITDA	**252,816**	**247,517**

Relevant Events

April

We entered into a stock purchase agreement with GE Satellite Holdings LLC and its affiliates, to acquire 20% of the capital stock of StarOne S.A. StarOne is a Brazilian company that provides satellite services in Brazil. Our subsidiary Embratel, owned the remaining 80% of the shares of Star One.

June

We brought about a 2:1 split of América Móvil stock.

October

América Móvil announced the commencement of the tender offer for the shares of Teléfonos de México (which represented approximately 40% of its stock). AMX offered Ps. 10.50 in cash for each share. The acquired shares entailed the payment of 68 billion pesos.

We entered into an agreement with Claxson Interactive Group to acquire 100% of DLA, Inc., which is the leading corporation in the development, integration and delivery of entertainment products made for digital distribution in Latam.

November

We acquired a 100% ownership interest in Digicel Honduras, a company that provides wireless telecommunications services in Honduras. As part of this transaction we sold our operation in Jamaica to an affiliate of Digicel Group Limited.

We began operations in Costa Rica. We are offering mobile voice and data services throughout the country.

Our Company at a Glance 2011

United States (Tracfone)

Licensed pop.	312,554
Wireless subscribers	19,762
Prepaid wireless Penetration	22%
Wireless Market Share	29%
Number of Employees	733
Revenues (Milions of USD)	3,806
EBITDA (Milions of USD)	334

Mexico (Telcel and Telmex)

Licensed pop.	113,583
Wireless subscribers	65,678
Revenue Generating Units (RGUs)	22,766
Fixed Lines	14,814
Broadband	7,952
Wireless Penetration	85%
Wireless Market Share	68%
Fixed Lines Penetration	17%
Broadband Penetration	11%
Fixed Lines Market Share	75%
Broadband Market Share	63%
Number of Employees	72,214
Revenues (Milions of USD)	20,629
EBITDA (Milions of USD)	10,388

Peru (Claro)

Licensed pop.	28,947
Wireless subscribers	11,254
Revenue Generating Units (RGUs)	690
Fixed Lines	282
Broadband	114
Pay TV	295
Wireless Penetration	93%
Wireless Market Share	42%
Fixed Lines Penetration	10%
Pay TV Penetration	4%
Broadband Penetration	3%
Fixed Lines Market Share	9%
Pay TV Market Share	27%
Broadband Market Share	11%
Number of Employees	3,215
Revenues (Milions of USD)	1,306
EBITDA (Milions of USD)	607

Colombia (Comcel and Telmex)

Licensed pop.	44,678
Wireless subscribers	28,819
Revenue Generating Units (RGUs)	3,549
Fixed Lines	774
Broadband	875
Pay TV	1,899
Wireless Penetration	99%
Wireless Market Share	66%
Fixed Lines Penetration	17%
Pay TV Penetration	9%
Broadband Penetration	8%
Fixed Lines Market Share	11%
Pay TV Market Share	49%
Broadband Market Share	27%
Number of Employees	9,755
Revenues (Milions of USD)	4,704
EBITDA (Milions of USD)	2,271

Ecuador (Claro)

Licensed pop.	13,825
Wireless subscribers	11,057
Revenue Generating Units (RGUs)	174
Fixed Lines	67
Broadband	74
Pay TV	32
Wireless Penetration	116%
Wireless Market Share	69%
Fixed Lines Penetration	16%
Pay TV Penetration	3%
Broadband Penetration	4%
Fixed Lines Market Share	3%
Pay TV Market Share	7%
Broadband Market Share	13%
Number of Employees	2,527
Revenues (Milions of USD)	1,403
EBITDA (Milions of USD)	773

Argentina, Paraguay and Uruguay (Claro)

Licensed pop.	50,256
Wireless subscribers	20,744
Revenue Generating Units (RGUs)	306
Fixed Lines	187
Broadband	93
Pay TV	26
Wireless Penetration	134%
Wireless Market Share	31%
Fixed Lines Penetration*	24%
Pay TV Penetration**	8%
Broadband Penetration*	20%
Fixed Lines Market Share*	2%
Pay TV Market Share**	5%
Broadband Market Share*	1%
Number of Employees	4,018
Revenues (Milions of USD)	2,870
EBITDA (Milions of USD)	1,150

**Comprises only Argentina*
***Comprises only Paraguay*

Brazil (Claro, Embratel and Net Serviçios)

Licensed pop.	199,780
Wireless subscribers	60,380
Revenue Generating Units (RGUs)	23,588
Fixed Lines	9,158
Broadband	4,661
Pay TV	9,770
Wireless Penetration	119%
Wireless Market Share	25%
Fixed Lines Penetration	21%
Pay TV Penetration	9%
Broadband Penetration	8%
Fixed Lines Market Share	22%
Pay TV Market Share	55%
Broadband Market Share	29%
Number of Employees	44,949
Revenues (Milions of USD)	13,614
EBITDA (Milions of USD)	3,568

Chile (Claro)

Licensed pop.	17,272
Wireless subscribers	5,537
Revenue Generating Units (RGUs)	1,030
Fixed Lines	241
Broadband	219
Pay TV	571
Wireless Penetration	138%
Wireless Market Share	23%
Fixed Lines Penetration	19%
Pay TV Penetration	11%
Broadband Penetration	11%
Fixed Lines Market Shares	7%
Pay TV Market Share	30%
Broadband Market Share	11%
Number of Employees	2,977
Revenues (Milions of USD)	1,133
EBITDA (Milions of USD)	90

Central America (Claro)

Licensed pop.	44,643
Wireless subscribers	12,931
Revenue Generating Units (RGUs)	3,621
Fixed Lines	2,440
Broadband	474
Pay TV	707
Wireless Penetration	109%
Wireless Market Share	28%
Fixed Lines Penetration	8%
Pay TV Penetration	8%
Broadband Penetration	2%
Fixed Lines Market Share	75%
Pay TV Market Share	22%
Broadband Market Share	67%
Number of Employees	8,816
Revenues (Milions of USD)	1,520
EBITDA (Milions of USD)	500

Caribbean (Claro)

Licensed pop.	13,729
Wireless subscribers	5,593
Revenue Generating Units (RGUs)	2,160
Fixed Lines	1,426
Broadband	590
Pay TV	143
Wireless Penetration	87%
Wireless Market Share	48%
Fixed Lines Penetration	14%
Pay TV Penetration	9%
Broadband Penetration	7%
Fixed Lines Market Share	79%
Pay TV Market Share	12%
Broadband Market Share	63%
Number of Employees	9,820
Revenues (Milions of USD)	2,135
EBITDA (Milions of USD)	620

Subscribers, RGUs, and licensed population in thousands

Letter to Shareholders

2011 came to a close in the midst of a new bout of financial volatility that overtook world markets for most of second half of the year and that centered for the most part on the debt and fiscal situation of developed countries, particularly in Europe. The new financial crisis did not affect much the economic situation in Latin America that held up well in spite of major currency depreciations in various countries.

We decided to proceed shortly before the end of the year with a tender offer for the remaining 40% of Telmex stock that we did not already own, having acquired the 60% controlling stake in 2010. As a result of the offer and subsequent purchases, by March 2012 we had increased our stake in Telmex to 97.2%.

Thus ended a truly transformational two-year period. In it we acquired substantially all the shares of Telmex and Telmex Internacional—both of them entities with only fixed-line operations—and in the process we became an integrated telco in most of the countries where we have a presence. In Brazil we increased from 35% to 92% our ownership interest in Net Serviços and recently exercised an option that gave us the control of the company.

We began to consolidate Telmex and Telmex Internacional in our financial statements from July 1, 2010 and have done the same with Net Serviços beginning on January 1st, 2012. Telmex' shares will be delisted from the Mexican stock exchange and its ADR program in the U.S. has already been terminated. It was the same with Telmex Internacional's stock. As for Net Serviços a tender offer for its remaining shares will be launched this year and the stock may eventually be delisted as well depending on the results of the offer.

On the financial front America Movil now presents a significantly different profile than it did two years ago. Our revenues shot up 57% and became more diversified as we become an integrated telecom operator in most of our markets. The share of wireless voice revenues is down from 73% to 41% while that of fixed-line voice revenues rose from 4% to 18%. Data services—fixed and mobile—now account for 36% of revenues, compared to 21% then. Pay TV services, which were not a part of our portfolio two years ago, represent today approximately 8% of our service revenues. And, from a geographic perspective, the relative weight of Brazil jumped from 20% to 31%, nearly equaling Mexico's.

Whereas not all of the shares of Telmex and Telmex Internacional that we acquired were paid for in cash, outlays for these nevertheless totaled 8.0 billion dollars. These outlays and those associated with the purchase of stock of Net Serviços and other entities (including StarOne, DLA) added up to a total of 11.0 billion dollars. However, our leverage has not changed much, with our net debt to ebitda ratio as of March 2012 at 1.2 times, very much in line with our long-standing policy of maintaining a strong balance sheet and financial position.

The advent of more device types as well as cheaper smartphones and applications will boost the demand for data services on the mobile platform. At the same time, the fixed-line platform is seeing, and will continue to do so, a major revival on the back of bundled services.

Technological convergence is driving the creation of integrated fiber-based networks that bring together platforms into one. In 2011, following through with the integration of the platforms and in anticipation of what we believe will be a soaring demand for data services in our region of operations, we substantially increased our capital expenditures. They rose almost 50% from the year before, to nearly 10 billion dollars, and we expect them to remain in the neighborhood of 9 billion dollars per year over the next three years.

We are funneling those resources to the construction of fiber rings around the major cities, the deployment of fiber-to-the-node links to support the backhaul capabilities of our radio-bases, the expansion of our backbones—they now tie various countries together—and the development of a submarine cable network that will allow us to link the South American region and our Caribbean operations with the U.S.

Expanding the reach of our fiber networks and increasing their velocity is another important focus of our investment, one that will allow us to maintain the rapid growth of our double- and triple-play bundles. The latter have proved to be the fastest growing of our RGU net additions, with a yearly pace of approximately 50%.

Traditionally the first ones to adopt the more modern technologies in the region, we have also devoted part of our investment resources to the roll out of what likely will be the first "true" 4G network in Latin America, with LTE technology. We expect that several cities in Mexico and

Puerto Rico will have LTE services by the end of 2012. We have introduced Over-the-Top boxes for our PayTV products and are developing cloud-based services throughout the region. And the focus on IT is enabling our platforms to provide all the new services that have been and are being developed.

When the fixed and mobile platforms have resided in different entities in a given country, bringing them together implies integrating the work force in a unified team that avoids duplication of functions and that labors together with clearly defined objectives and responsibilities and under clear reporting lines. We have made considerable progress in bringing together the teams so that various functions such as commercial operations, network and systems management, customer care, and network design and construction are all performed in a coherent and efficient way. In most countries we will actually be merging the fixed and mobile companies in the next few months.

Until recently the access to broadband services in Latin America was very much limited by the relatively high cost of devices. People needed to acquire a personal computer if they were to be able to access the Internet and computers happened to be expensive in terms of the income per capita in the region. But this barrier of entry to broadband services, the cost of computers, is coming crashing down as new devices are introduced—smartphones, tablet computers, even netbooks—that are selling for a fraction of what computers sold for. The expectation is that their prices will fall much further in years to come.

This means that the number of people capable of roaming the Internet will go up several times in the medium term as device prices come down. By some estimates, the number of data accesses will increase at least six times in the following five years. For the most part the new data accesses will be only mobile: today's smartphone penetration, approximately one fourth of the postpaid base or approximately four percent of the overall subscriber base, will shoot up. The number of data accesses is also stated to increase materially on the fixed-line platform; it may double over the same period, with profound implications for both the fixed-broadband and the PayTV markets.

The ubiquity of mobile phones will undoubtedly foster the development of various new applications, including for mobile banking. It must be noted that we recently launched in Mexico a new service, Transfer—in which we have partnered with Banamex and Inbursa—that will likely contribute to a significant increase in the number of people that will have their own bank account. This service, which will be rolled-out in various other countries at a later date, poses interesting opportunities in the field of electronic payments. Surely there will be other applications developed around other social-inclusion activities, including the fields of education and health services.

An integrated telco with 158,000 employees distributed over 18 countries in the Americas, America Movil is today a strong competitor in its markets. The investments and acquisitions we have made over the years have provided us with a telecom infrastructure matched by no one in our region of operation, with broad mobile coverage, extensive backbone and backhaul capacity, and a PayTV platform—IPTV, cable and satellite—capable of supporting rapid growth for years to come.

We are committed to be the best telecom company and strive to provide the best services. Our vast labor and capital resources have given us a strong competitive edge. The strong support we have enjoyed from our employees and our shareholders has enabled us to continue to grow profitably and competitively. It is something that is key to us and for which we give them our most sincere thanks.

Carlos Slim Domit
Co-Chairman of the Board

Patrick Slim Domit
Co-Chairman of the Board

Daniel Hajj Aboumrad
Chief Executive Officer

América Móvil

In 2011, América Móvil finished December with 299.6 million accesses, 8.3% more than in 2010. This figure comprises 241.8 million wireless subscribers, 29.4 million landlines, 15.1 million broadband accesses and 13.4 million PayTV units. In South America, the number of fixed lines was up 18.6% year-on-year and that of broadband accesses 27.7%. Our PayTV business exhibited an annual increase of 33.1%.

We gained 18.4 million net additions in the year, taking our wireless subscriber base to 241.8 million, 8.2% more than the year before. Our postpaid subscriber base was up 20.5% in 2011, to 34.7 million, growing substantially more rapidly than the prepaid one in all our operations. Wireless penetration is estimated to have reached 109% in our region of operations (excluding the U.S.) climbing 10 percentage points in the year.

Brazil led the way in terms of net additions with 8.7 million in the year, followed by Tracfone, in the U.S. with little more than two million and Mexico and Peru with around 1.5 million each. Argentina and Colombia gained 1.2 million subscribers each.

At the end of the year our subscriber base comprised 65.7 million subscribers in Mexico, 60.4 million in Brazil, 28.8 million in Colombia and 19.6 million in Argentina. We also had 19.8 million clients in the U.S., 18.5 million in Central America and the Caribbean and around 11 million in Ecuador and Peru.

Revenue generating units (RGUs) topped 58 million in December, 12.3% more than a year before, with those in South America growing 26.4%. PayTV was the fastest-growing segment with an annual increase of 33.1%, with broadband accesses expanding 15.6% and the number of landlines 3.4%.

At the end of the period we had 23.6 million RGUs in Brazil, 22.8 million in Mexico, 5.8 million in Central America and the Caribbean and 3.5 million in Colombia.

In spite of the increased uncertainty experienced worldwide in 2011 with high financial volatility stemming from the European crisis and a still weak U.S. economy, the tone of the Latin American markets continued to be strong throughout the end of the year even in the face of what appeared to be slowing economic activity in most of the South American block.

Revenues for 2011 totaled 53.6 million dollars, they were 8.7% greater in Mexican peso terms. Revenue growth was led by mobile data services that rose 30% year-on-year at constant exchange rates with every single region where we operate posting strong numbers. Fixed broadband revenues followed with 9%, while PayTV revenues exhibited a 62% annual increase albeit from a small base. Every single product line in the South American block experienced solid revenue growth while in Mexico a 5% decline in mobile voice revenues arising from the 70% effective reduction in mobile termination rates was added to the ongoing decline in fixed-line revenues. Our geographical and product diversification has served us well by providing a more stable base of revenues.

We generated EBITDA of 20.3 million dollars, it was up 1.6% in peso terms as compared to last year's. This translated into an EBITDA margin of 38.0% in the year. EBITDA was held back somewhat both by subscriber acquisition costs that remained high in the wireless and PayTV space, and by expenses associated with our vast investment program, since we do not capitalize all expenses.

The year's operating profit came in at 12.4 billion dollars with depreciation charges that rose 3.1% over the year.

The depreciation of the peso and the increase in net debt arising from our share buybacks and the purchases of stock of Telmex, Telmex Internacional, Net Serviços and StarOne brought about an increase in our comprehensive financing costs, which totaled 2.3 billion dollars in the year. These, in turn, were an important factor in the reduction of our net income to 6.7 billion dollars.

Our net debt rose to 23 billion dollars in December from 16.8 billion at the close of 2010 to help fund 5.2 billion dollars in stock purchases and 4.4 billion dollars in share buybacks. Our cash flow from operations more than covered our capital expenditures of 9.7 billion dollars and dividends of 1.4 billion.

América Móvil Subsidiaries as of December 2011

Country	Brand	Business	Equity Participation	Consolidation Method
Mexico	Telcel	Wireless	100.0%	Global Consolidation Method
	Telmex	Wireline	93.3%	Global Consolidation Method
	Sección Amarilla	Other	100.0%	Global Consolidation Method
	Telvista	Other	96.98%(3)	Global Consolidation Method
Argentina	Claro	Wireless	100.0%	Global Consolidation Method
	Telmex(1)	Wireline	97.3%(2)	Global Consolidation Method
Brazil	Claro	Wireless	100.0%	Global Consolidation Method
	Embratel(1)	Wireline	97.6%	Global Consolidation Method
	Net	Cable	87.6%	Equity Method
Chile	Claro	Wireless	100.0%	Global Consolidation Method
	Telmex(1)	Wireline	100.0%	Global Consolidation Method
Colombia	Comcel	Wireless	99.4%	Global Consolidation Method
	Telmex(1)	Wireline	99.4%	Global Consolidation Method
Costa Rica	Sercotel	Wireless	100.0%	Global Consolidation Method
Dominicana	Claro	Wireless/Wireline	100.0%	Global Consolidation Method
Ecuador	Porta	Wireless	100.0%	Global Consolidation Method
	Telmex(1)	Wireline	100.0%	Global Consolidation Method
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
Nicaragua	Claro	Wireless/Wireline	99.6%	Global Consolidation Method
Panama	Claro	Wireless	99.7%	Global Consolidation Method
Paraguay	Claro	Wireless	100.0%	Global Consolidation Method
Peru	Claro	Wireless	100.0%	Global Consolidation Method
	Telmex(1)	Wireline	99.6%	Global Consolidation Method
Puerto Rico	Claro	Wireless/Wireline	100.0%	Global Consolidation Method
Uruguay	Claro	Wireless/Wireline	100.0%	Global Consolidation Method
USA	Tracfone	Wireless	98.2%	Global Consolidation Method

(1) Equity Participation of Telmex Internacional of which América Móvil owns 97.5%.
(2) Telmex owns the remaining 2.66% of the stock.
(3) AMX owns directly 45%and 51.98% through its subsidiary Telmex and Carso Global Telecom.

Mexico

Our Mexican operations added 1.2 million wireless clients in 2011. In October we adopted a more conservative reporting methodology for wireless subscribers in Mexico. We reduced the churn period to effectively report as active subscribers only those prepaid clients who have made an air-time recharge over a given period. Pursuant to the new reporting conditions, our figures reflect 2.3 million disconnections taking our wireless subscriber base to 65.7 million, 2.4% above last year's.

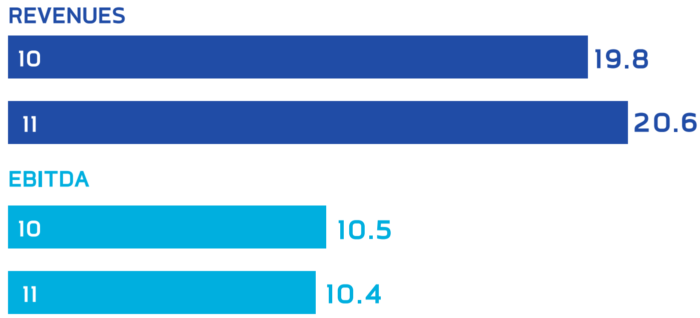
We continue to perform well in the postpaid segment, with postpaid net subscriber additions in the period nearly as high as those of the previous year, leading to a 17.3% annual increase in our postpaid base to 7.5 million subs. The adoption of 3G-enabled devices continues at a rapid pace: we already service 4.8 million lines with full broadband connectivity.

Corroborating the preference of consumers, we continue to be a net gainer from number portability, with 608 thousand ported-in lines during 2011.

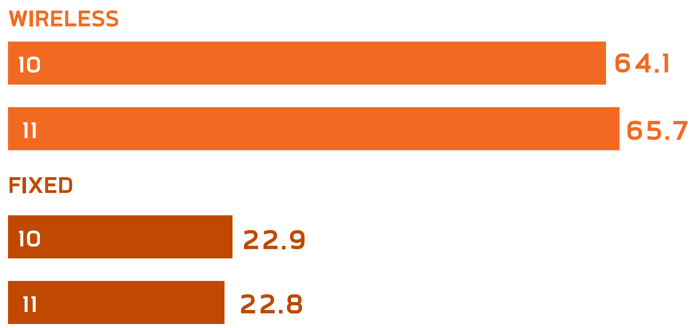
Revenues totaled 20.6 billion dollars, exceeding by 2.4% those of the prior year, in peso terms. Wireless revenues represented 60% of that figure. Wireless revenues rose 3.1% whereas fixed-line revenues declined 2.4%. Revenue growth was driven by data revenues since voice revenues were down on both platforms, as the ongoing reduction in fixed-line voice revenues was now accompanied by that in mobile voice revenues brought about by the sharp reduction of mobile termination rates.

The EBITDA of our Mexican operations declined 2.8% from 2010, to 10.4 billion dollars. It represented 50.4% of total revenues. The reduction had to do with the increase of subscriber acquisition costs—mostly to do with the 9.5% increase in gross subscriber additions and the depreciation of the peso—the increase in network maintenance and service costs in the two platforms and the impact from lower mobile termination rates.

FINANCIAL RESULTS
(billion dollars)



SUBSCRIBERS
(millions)



Brazil

Our wireless subscriber base finished December with 60.4 million wireless subscribers—16.9% more than a year before—after adding 8.7 million subs in the year. In the postpaid segment we gained 2.4 million, 54.2% more than a year before. Our postpaid subscriber base reached 12.7 million, representing an annual increase of 23.7%.

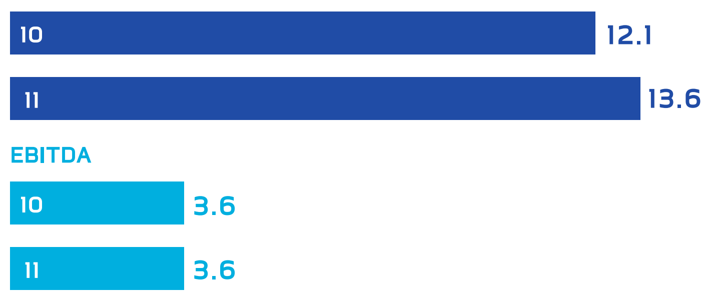
On the fixed-line platform we ended the year with 23.6 million fixed RGUs, an increase of 26.8% relative to 2010. We added 2.9 million PayTV accesses in the year to end December with close to 10 million clients, 41.6% more than a year before, whereas broadband accesses climbed 23.6%.

Revenues for the year, 13.6 billion dollars, were 6.9% higher than a year before in local currency terms. Wirelesses revenues increased 5.4% and fixed-line revenues—which account for 52% of the total—grew 8.4%. Mobile data revenues expanded 24.6% and fixed broadband revenues 13.6%, whereas those coming from PayTV services rose 122.6%.

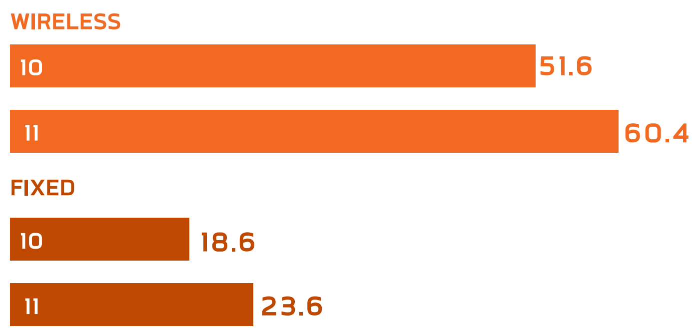
EBITDA was down 4.8% in reais to 3.6 billion dollars and was equivalent to 26.2% of revenues down from 29.4% a year ago. The decline in margins was derived from an increase in costs of content, greater maintenance charges—including costs related to the expansion of the network which are not accounted for as Capex—as well as higher operating costs mostly linked to improvements in customer care and the costs associated to growing our wireless base, for the most part, in the postpaid segment.

We continue to expand our 3G footprint, and we have upgraded our network to HSPA+. This technology allowed us to, on average, triple the data transmission speed of our wireless data users.

FINANCIAL RESULTS
(billion dollars)



SUBSCRIBERS
(millions)

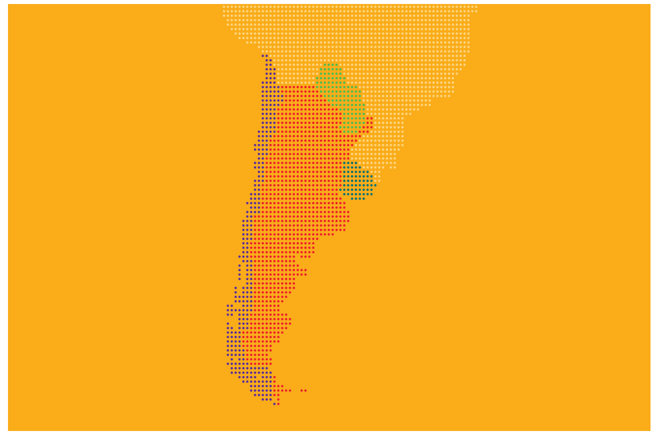


Mercosur

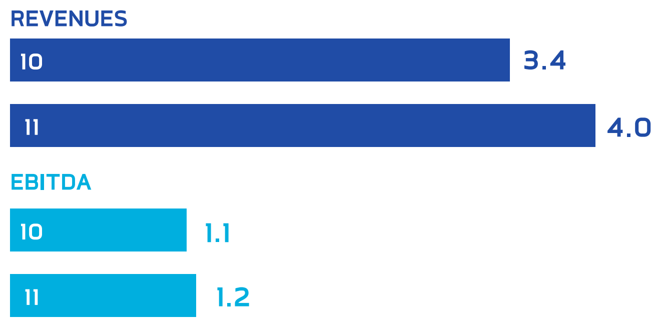
Argentina, Paraguay, Uruguay and Chile

Altogether, our operations registered 1.8 million net adds in 2011 even though penetration levels are estimated to have reached over 135.4% in Argentina and 140.4% in Chile. We ended December with a total of 21.8 million clients in the region, 7.2% more than at the end of 2010, with our postpaid subscriber base continuing to grow faster than our prepaid one (15% year-on-year).

Revenues topped four billion dollars in the year and were 16.3% higher than those obtained a year ago driven by both voice and data revenue growth. EBITDA of 1.2 billion dollars exceeded by 9.1% that of the precedent year and the margin stood at 31.0%.



FINANCIAL RESULTS
(billion dollars)



SUBSCRIBERS
(millions)

Andean

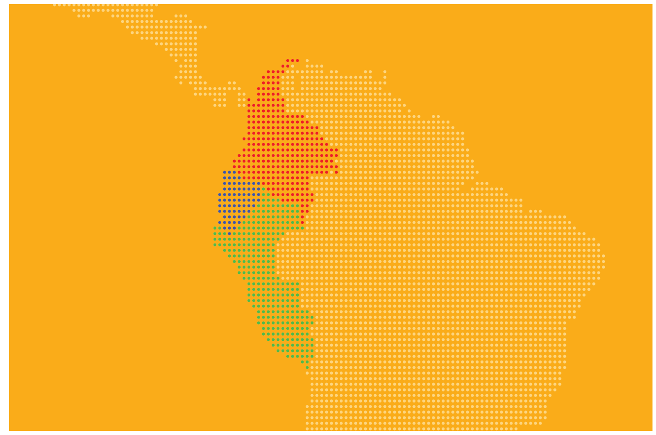
Colombia, Ecuador and Peru

Our combined operations in Colombia, Ecuador and Peru registered 2.4 million net subscriber gains and finished 2011 with 55.5 million clients in this region, 4.6% higher than the previous year. Peru grew the fastest, at 16.2% as net adds exceeded by 14% those obtained in 2010. Our postpaid subscriber base grew more rapidly than the prepaid one at 23% year-on-year.

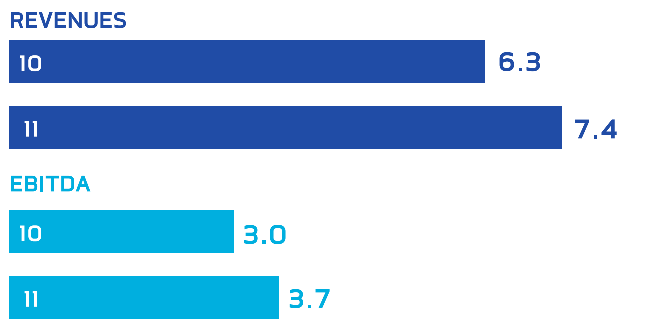
Revenues added up to 7.4 billion dollars, being 17.3% above last year. In its local currency terms they all registered increases of around 14%. Although from a smaller base, wireline revenues grew somewhat faster than wireless.

We generated a combined EBITDA of 3.7 billion dollars, which was up 21.5% as compared to the prioy year. The EBITDA margin was equivalent to 49.3% of revenues as the margin rose 1.7 percentage points. Peru exhibited a superior expansion of their EBITDA margin: 2.6 percentage points.

In Ecuador, we registered around 17 thousand net ported-in lines during 2011. Claro has maintained a positive balance since number portability was implemented in 2009 by virtue of our superior coverage and quality that has granted us the preference of consumers.



FINANCIAL RESULTS
(billion dollars)



SUBSCRIBERS
(millions)

Central America and the Caribbean

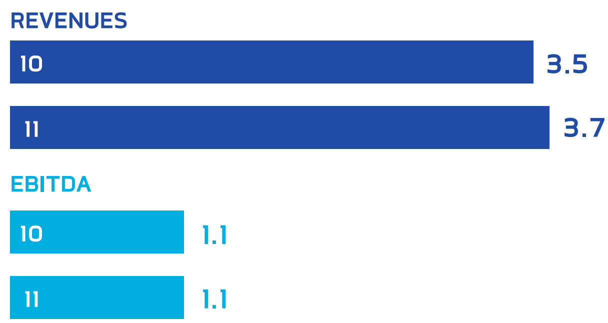
Costa Rica, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico and Dominicanan Republic

Our wireless subscriber base increased 6.4% over the year to finish December with 18.5 million subscribers in Central America and the Caribbean. This figure incorporates net additions of 1.1 million, in the period, we started our operations in Costa Rica, completed the acquisition of Digicel's operations in Honduras, and sold our operation in Jamaica. On the fixed-line platform we had 5.8 million RGUs, 7.6% more than in 2010, as PayTV accesses jumped 30.5% from a year before. United States

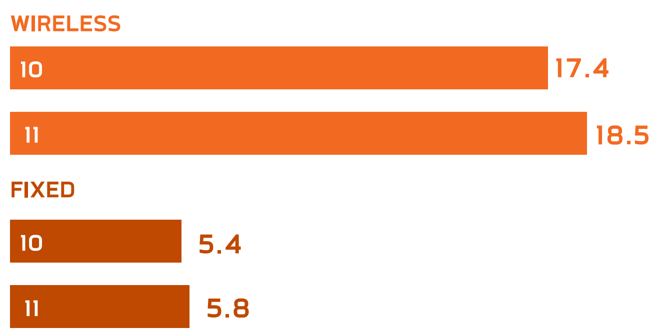
Revenues in 2011, 3.7 billion dollars, exceeded by 4.5% those of 2010 as wireless service revenues rose 12.1% buoyed by 72.8% data revenue growth. Fixed-line revenues declined 4.1%, as the increase in PayTV and broadband revenues was not sufficient to fully compensate for the decline in fixed voice revenues.

EBITDA of 1.1 billion dollars was practically flat from the year before. This figure already reflects the costs associated with the launch of our operations in Costa Rica and to a lesser extent, to the integration of our recently acquired operation in Honduras that had reported losses.

FINANCIAL RESULTS
(billion dollars)



SUBSCRIBERS
(millions)

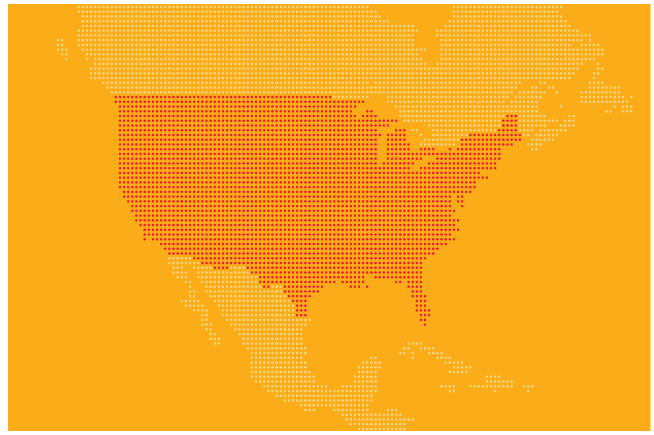


United States

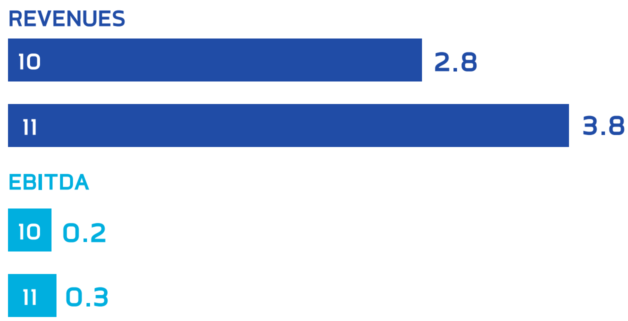
Tracfone added more than two million clients to finish 2011 with 19.8 million clients, an annual increase of 11.3%.

Full year revenues were up 35.3% to 3.8 billion dollars. Usage has been increasing at a rapid pace given that our StraightTalk plans become more prevalent; MOUs have reached record high at 396 minutes per month.

EBITDA rose 27.9% to 334 million dollars. The EBITDA margin was equivalent to 8.8% of revenues down from 9.3% as Tracfone moves to a higher-volume/lower-margin business.



FINANCIAL RESULTS
(billion dollars)



SUBSCRIBERS
(millions)

Board Members

Carlos Slim Domit *Co-Chairman of the Board*
Born in 1967
Principal Occupation: Chairman of the Board of Directors of Grupo Carso, S.A.B. de C.V.

Patrick Slim Domit *Co-Chairman of the Board*
Born in 1969
Other directorships: Consejero de Grupo Carso, S.A.B. de C.V., Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. y Consejero Suplente de Carso Global Telecom, S.A.B. de C.V. y Teléfonos de México, S.A.B. de C.V.

Daniel Hajj Aboumrad
Born in 1966
Principal Occupation : Chief Executive Officer of América Móvil

Arturo Elías Ayub
Born in 1966
Principal Occupation: Head of Strategic Alliances, Communications and Institutional Relations of Telmex; Chief Executive Officer of Funciación Telmex

Oscar Von Hauske Solís
Born in 1957
Principal Occupation: Chief Fixed Line Operations of América Móvil

Louis C. Camilleri
Born in 1955
Principal Occupation: Chief Executive Officer of Philip Morris International

Alejandro Soberón Kuri
Born in 1960
Principal Occupation: Chief Executive Officer of Corporación Interamericana de Entretenimiento, S.A.B. de C.V.

Carlos Bremer Gutiérrez
Born in 1960
Principal Occupation: Director of Grupo Financiero Value, S.A. de C.V.

Rayford Wilkins
Born in 1951
Principal Occupation: Chief Executive Officer of the AT&T Diversified Business Division

Mike Viola
Born in 1954
Principal Occupation: Senior Vice President of Corporate Finance AT&T, Inc.

Ernesto Vega Velasco
Born in 1937
Principal Occupation: In Retirement. Member of the board of directors and audit and corporate practices, planning and finance and evaluation and compensation committees of certain companies.

Santiago Cosío Pando
Born in 1973
Principal Occupation: President of Grupo Pando, S.A. de C.V.

Pablo Roberto González Guajardo
Born in 1967
Principal Occupation: Chief Executive Officer of Kimberly Clark de México, S.A.B. de C.V.

David Ibarra Muñoz
Born in 1930
Other dicectorships: Director of Grupo Financiero Inbursa, S.A.B. de C.V., Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. and Grupo Carso, S.A.B. de C.V.

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

Oscar Von Hauske Solís
Executive Director Fixed Line Operations

Ángel Alija Guerrero
Executive Director Mobile Operations

Alejandro Cantú Jiménez
General Counsel

Mexico

Telmex
Héctor Slim Seade
Chief Executive Officer

Carlos Robles Miaja
Chief Financial Officer

Telcel
Patricia Raquel Hevia Coto
Chief Operating Officer Region 9

Salvador Cortés Gómez
Chief Operating Officer Region 1-8

Fernando Ocampo Carapia
Chief Financial Officer

Central America

Julio Carlos Porras
Chief Executive Officer

Enrique Luna Roshardt
Chief Financial Officer

Colombia

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

Claro
Carlos Hernan Zenteno de los Santos
Chief Executive Officer

Sergio Adriano Peregrino
Chief Financial Officer

Embratel
Jose Formoso
Chief Executive Officer

Isaac Berensztejn
Chief Financial Officer

Net
Jose Antonio Guaraldi Felix
Chief Executive Officer

Roberto Catãlao
Chief Financial Officer

Chile

Gerardo Muñoz Lozano
Chief Executive Officer

Alfonso Lara
Chief Financial Officer

Argentina, Uruguay & Paraguay

Rogelio Viesca
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

Ana María Betancourt
Chief Financial Officer

Jamaica

Alejandro Gutiérrez Olvera Cabrales
Chief Executive Officer

Juan Antonio Escorcia
Chief Financial Officer

Panama

Oscar Borda
Chief Executive Officer

Abraham Hernández
Chief Financial Officer

United States

F.J. Pollak
Chief Executive Officer

Gustavo Blanco Villanueva
Chief Financial Officer

CEO´s Report to the Board of Directors

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

Gentlemen,

Pursuant to Article 44(XI) of the Securities Market Law and the applicable articles of the General Law of Business Corporations, 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, 2011. This report should be read and reviewed in conjunction with the report of the External Auditor dated March 27, 2012, submitted to the shareholders as part of the Company's audited consolidated financial statements as of and for the year ended December 31, 2011, 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 2011:

i. Our number of wireless subscribers grew by 16.7 million, or 7.4% with respect to 2010, to 241.8 million. Including our 57.9 million revenue generating units ("RGUs"), as at year's end in 2011 the Company's aggregate number of subscribers was 299.6 million.

ii. In 2011, we reported total revenues of Ps.665 billion, which represented a 9.4% increase with respect to 2010. This increase was attributable to the revenues contributed by our wireless data services, which grew at an annual rate of 32.8% or more than three times faster than our total revenues from services, which increased by 9.4%.

iii. Our operating cash flow increased by 2.1% in 2011, to Ps.252.8 billion.

iv. In 2011, our operating cash flow margin, as a percentage of our revenues, was 38%, which represented a decrease of 2.7% for the year.

v. Our operating profit was Ps.154.8 billion in 2011, which represented a 1.6% increase with respect to 2010.

vi. The Company's net profit for 2011 was Ps.82.8 billion.

vii. Earnings per share in 2011 totaled Ps.1.05.

viii. Capital expenditures, share repurchases and dividend payments amounted in the aggregate to Ps.191.4 billion, of which (i) Ps.120.4 billion represented capital expenditures in plants, equipment and licenses; and (ii) Ps.71 billion were allocated to share repurchases and dividend payments;

ix. In 2011, we invested Ps.69.6 billion in the acquisition of certain minority equity and other interests; and

x. In 2011, our net debt increased by Ps.88.7 billion, to Ps.321.4 billion.

In 2011, our operations in

- Mexico contributed 1.5 million new wireless subscribers, thereby increasing to 65.7 million their aggregate number of subscribers, and experienced a decrease of 185,000 RGUs, to 22.8 million, as at the year's end.
- Brazil contributed 8.7 million new wireless subscribers and 5.0 million new RGUs, thereby increasing to 60.4 million and 23.6 million their aggregate number of subscribers and RGUs, respectively, as at year's end.
- Argentina, Paraguay and Uruguay together contributed 1.1 million new wireless subscribers and 90,000 new RGUs, thereby increasing to 20.7 and 306,000 their aggregate number of subscribers and RGUs, respectively, as at year's end.
- Colombia experienced a decrease of 446,000 wireless subscribers, to 28.8 million, and contributed 561,000

new RGUs, thereby increasing to 3.5 million their aggregate number of RGUs, as at the year's end.

- Ecuador contributed 433,000 new wireless subscribers and 66,000 new RGUs, thereby increasing to 11.1 million and 174,000 their aggregate number of wireless subscribers and RGUs, respectively, as at year's end.

- Peru contributed 1.6 million new wireless subscribers and 254,000 new RGUs, thereby increasing to 11.3 million and 690,000 their aggregate number of wireless subscribers and RGUs, respectively, as at year's end.

- Chile contributed 666,000 new wireless subscribers and 180,000 new RGUs, thereby increasing to 5.5 million and 1.0 million their aggregate number of wireless subscribers and RGUs, respectively, as at year's end.

- Central America and the Caribbean contributed 1.1 million new wireless subscribers and 407,000 new RGUs, thereby increasing to 18.5 million and 5.8 million their aggregate number of wireless subscribers and RGUs, respectively, as at year's end.

- United States contributed 2.0 million new wireless subscribers, thereby increasing its aggregate number of wireless subscribers to 19.8 million as at year's end.

In addition, during the year ended December 31, 2011 the Company paid to its shareholders (through share repurchases and dividend payments) an aggregate of 3 Ps.71 billion. We 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.

Sincerely,

Daniel Hajj Aboumrad
Chief Excutive Officer

Opinion and Reports to the Shareholders´Meeting

To the general ordinary shareholders' meeting 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 as with respect to the year ended December 31, 2011.

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(XI) 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 consistently applied in connection with the preparation of the information submitted by the Chief Executive Officer of the Company, and (iii) based upon the above, the information submitted by the Chief Executive Officer fairly presents the Company's financial condition and results of operations for 2011.

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 Company's audited consolidated financial statements as of and for the year ended December 31, 2011, the report of the External Auditors thereon, 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 an opinion regarding the accuracy of the Company's audited consolidated financial statements and their conformity with International Financial Reporting Standards ("IFRS"), the Board of Directors hereby recommends to the general ordinary shareholders' meeting the approval of such financial statements, which fairly present the financial condition of the Company as of December 31, 2011.

In addition, the Board of Directors hereby reports that the accounting policies and criteria followed by the Company's management in the preparation of the Company's audited consolidated financial statements and other financial information, which policies and criteria are explained in the notes to such financial statements, were reviewed, analyzed and approved in due course by the Audit and Corporate Governance Committee and 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 2011.
The principal activities and transactions in which the Board of Directors engaged in 2011 are as follows:

a. Analyzed, discussed and approved various expansion, investment and acquisition opportunities available to the Company in 2011, including, without limitation:

    - the exchange of the assets and operations of "Claro Jamaica," the Company's Jamaican subsidiary, for Grupo Digicel's assets and operations in Honduras;

    - the acquisition of 20% of the shares of stock of Star One, S.A., which enabled Embratel, the Company's Brazilian subsidiary, to increase its ownership interest therein from 80% to 100%; and

    - the acquisition of 100% of the shares of stock of DLA, Inc., a service provider engaged in the development and delivery of tailored entertainment solutions for digital distribution platforms in Latin America;

b. Analyzed, discussed and authorized the Company to conduct an offer to purchase all of the outstanding shares of stock of Teléfonos de México, S.A.B. de C.V. (“TELMEX”), other than those held directly or indirectly by the Company (the “TELMEX Offer”), and to retain Citigroup Global Markets, Inc. as independent expert for purposes of the delivery of an opinion as to the fairness, from a financial point of view, of the consideration proposed to be paid by the Company to TELMEX’s shareholders in the TELMEX Offer;

c. Analyzed, discussed and approved the procedure to obtain the cancellation of the registration of the shares of stock of Telmex Internacional, S.A.B. de C.V. with the National Securities Registry maintained by the National Banking and Securities Commission, and with the Mexican Stock Exchange, including the conduction of a purchase offer pursuant to Article 108(I) and other related provisions of the Securities Market Law;

d. Reviewed, discussed and approved the Company’s consolidated income statements and balance sheets, which were prepared by the Chief Financial Officer (in accordance with IFRS), and the Company’s audited consolidated financial statements for 2011;

e. Analyzed, discussed and approved various related-party transactions;

f. Reviewed, discussed and approved the reports submitted by the Chief Executive Officer with respect to, among other things, the principal operating indicators of the Company and its subsidiaries and the business opportunities pursued in the markets in which they operate;

g. Authorized the Company to participate, through its subsidiaries, in various radio electric spectrum and satellite orbital position auctions held in Latin America and the Caribbean in 2011;

h. Analyzed, discussed, acknowledged and, as the case may be, approved various reports submitted by the Company’s executive officers in connection with the most relevant aspects of the operations of the Company and its subsidiaries;

i. Submitted to the shareholders various proposals regarding the allocation of the Company’s profits, certain dividend payments and the increase of the maximum authorized amount available for the repurchase of the Company’s shares; and issued notices of the Company’s shareholders’ meetings;

j. Analyzed and discussed various reports, matters and recommendations submitted by the Company’s Audit and Corporate Governance Committee; and

k. Approved the Company’s preliminary budget for 2012, submitted by the Chief Executive Officer.

Lastly, it should be noted 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 laws applicable to public companies.

Sincerely,

Carlos Slim Domit
Co-Chairman of the Board

Patrick Slim Domit
Co-Chairman of the Board

Report of the Audit Committee

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

Gentlemen,

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 Company's Audit and Corporate Governance Committee (the "Committee") during the year ended December 31, 2011.

As you well know, the duties of the 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 or aspects thereof requiring improvement, taking into consideration the opinions, reports, communications and directives issued by the external auditors. To such end, during fiscal year 2011 the Committee held four (4) meetings, on the following dates: (i) March 15, (ii) July 12, (iii) September 7 and (iv) November 8 (collectively, the "Meetings"). All Meetings were attended by a majority of the members of the Committee, and by the Secretary and/or the Alternate Secretary of the Company's Board of Directors, who provided assistance and prepared the minutes reflecting all the actions validly taken thereat. All resolutions adopted at the Meetings have been duly recorded in the book maintained to such effect by the Secretary of the Company's Board of Directors. In addition, all Meetings were attended by representatives of Mancera, S.C., a member practice of Ernst & Young Global, as independent auditors of the Company, the executive officers of the Company and its subsidiaries, and, on occasion, depending on the matters to be addressed based upon the relevant agenda, by special guests.

The Company's management is responsible for the preparation of the Company's financial statements in accordance with the International Financial Reporting Standards ("IFRS"), 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's securities are currently listed, and the implementation of the Company's internal control systems. On its part, the 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, 2011. Such review included the analysis and approval of the Company's accounting policies, procedures and practices.

The activities of the Committee during 2011 included the following:

a. Reviewed, analyzed and approved the principal accounting policies followed in the preparation of the Company's financial information, and certified that in 2011 such policies were in conformity with IFRS;

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, the Committee 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. Performed an evaluation in respect of the services rendered by Mancera, S.C., a member practice of Ernst & Young Global, the Company's independent auditors, and concluded that such services were satisfactory. In addition, the Committee 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;

g. 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;

h. 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;

i. Held follow-up meetings with the Company's management in order to ensure the observance of the risk control mechanisms applicable to the Company;

j. Reviewed and assessed the results of the tests applied in respect of the control systems established to ensure compliance with the provisions of the Sarbanes-Oaxley Act;

k. Reviewed, analyzed and acknowledged the reports of the external auditors with respect to the results of the Company's audit for fiscal year 2011;

l. Confirmed the appointment of Citigroup Global Markets, Inc. ("Citi") as independent expert for purposes of the delivery of an opinion as to the fairness, from a financial point of view, of the consideration proposed to be paid by the 3 Company to the shareholders of Teléfonos de México, S.A.B. de C.V. ("TELMEX") in the offer to purchase up to 40.04% of the outstanding shares of stock of TELMEX, conducted by the Company in the fourth quarter of 2011 (the "TELMEX Offer");

m. Reviewed, analyzed and discussed Citi's presentation on the considerations and methodologies based upon which it determined that, from the financial point of view, the consideration proposed to be paid by the Company to TELMEX's shareholders in the TELMEX Offer was fair; and recommended to the Company's Board of Directors the approval thereof;

n. Reviewed and analyzed the related party transactions described in the notes to the Company's consolidated financial statements, and recommended to the Board of Directors the approval of those such transactions that it deemed appropriate;

o. Addressed and resolved upon the various requests for approval submitted by the office of the Chief Financial Officer in connection with the professional fees payable to the Company's tax advisors;

p. Reviewed the audited consolidated financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2011, the auditors' report thereon and the accounting policies followed in the preparation thereof. Based on the input received from the external auditors, who are required to render their opinion as to the accuracy of the Company's financial statements and their conformity with IFRS, it recommended to the Board of Directors the approval of such financial statements for submission to the Company's general shareholders' meeting;

q. Oversaw the execution of the resolutions adopted by the shareholders and the Board of Directors of the Company;

r. Reviewed, assessed 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;

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 exercise 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. Authorized the payment of an extraordinary compensation to certain executive officers of the Company in respect of 2011. Such compensations were based on various criteria, including their seniority, productivity, performance and ethical and professional standards; and

v. Reviewed the principal items of the Company's annual budget.

consideration the comments provided by the Company's executive officers.

Sincerely,

Alejandro Soberón Kuri
Chairman of the Audit and Corporate Governance Committee

Financial Summary

Operating Result

Thousands of pesos	2011	2010	2009
Service Revenues	602,908	551,233	509,579
Equipment Revenues	62,394	56,623	51,675
Total Revenues	665,302	607,856	561,254
Cost of Sales	290,902	253,449	232,672
SG&A and Other Expenses	121,584	106,890	96,048
EBITDA*	252,815	247,516	232,535
EBITDA Margin	38.0%	40.7%	41.4%
Employee Profit Sharing	4,043	4,124	3,819
Depreciation & Amortization	93,997	91,071	79,904
Operating Income	154,775	152,321	148,812
Operating Margin	23.3%	25.1%	26.5%
Comprehensive Financing (Cost) Income, net	(28,155)	(18,873)	(7,570)
Other (Loss) Income, net	1,924	1,671	1,959
Income before Taxes	128,545	135,119	143,200
Provisions for Income Tax	40,421	36,214	36,299
Income before Equity Participation in Results of Affiliates	88,124	98,905	106,901
Income (Loss) before Minority Interest	82,854	91,123	92,698
Minority Interest	5,270	7,782	14,203
Net Income (Loss)	88,124	98,905	106,901

**Determined as Operating Income plus Depreciation & Amortization and PTU*

Balance Sheet

	2011	2010	2009
Cash Cash Equivalents	59,124	95,938	59,767
Accounts Receivable net	124,973	93,164	93,503
Other Current Assets	56,180	44,610	46,928
Current Assets	240,277	233,712	200,198
Property Plant and Equipment	466,086	411,820	418,733
Investments in Affiliates	54,218	50,539	17,558
Deferred Assets and other	185,036	177,445	170,845
Total Assets	945,617	873,516	807,334
Short Term Debt	26,643	9,039	44,967
Accounts Payable	178,740	145,595	124,578
Other Current Liabilities	57,375	49,909	45,264
Current Liabilities	262,758	204,543	214,809
Long Term Debt	353,975	294,060	232,274
Other Long term Liabilities	33,244	38,876	46,452
Totasl Liabilities	649,977	537,479	493,535
Total Stockholders Equity	295,640	336,037	313,799
Sum of Total Stockholders Equity and Total Liabilities	945,617	873,516	807,334

Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated statements of financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2010 and 2011 and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of three years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2010 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 25, 2012, expressed an unqualified opinion thereon.

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

C.P.C. Omero Campos Segura

Mexico City, Mexico
April 25, 2012

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

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

		At December 31, 2010		2011		Millions of U.S. dollars 2011
Assets						
Current assets:						
Cash and cash equivalents (Note 4)	Ps.	95,938,465	**Ps**	**59,123,996**	**US$**	**4,226**
Accounts receivable, net (Note 5)		93,164,187		**124,973,353**		**8,933**
Derivative financial instruments (Note 11)		5,321,321		**7,777,953**		**556**
Related parties (Note 18)		3,571,036		**3,413,899**		**244**
Inventories, net (Note 6)		26,081,530		**34,141,317**		**2,440**
Other current assets, net (Note 7)		9,635,433		**10,846,749**		**775**
Total current assets		233,711,972		**240,277,267**		**17,174**
Non-current assets:						
Property, plant and equipment, net (Note 8)		411,820,387		**466,086,773**		**33,315**
Licenses and rights of use, net (Note 9)		44,520,858		**38,530,899**		**2,754**
Trademarks, net (Note 9)		4,531,877		**3,006,854**		**215**
Goodwill (Note 9)		70,918,967		**73,038,433**		**5,221**
Investment in associated companies (Note 10)		50,539,455		**54,218,023**		**3,875**
Deferred taxes (Note 20)		29,589,842		**33,074,458**		**2,364**
Pension asset (Note 12)		16,290,367		**22,327,733**		**1,596**
Other non-current assets, net (Note 7)		11,591,878		**15,056,421**		**1,076**
Total assets	Ps.	873,515,603	**Ps.**	**945,616,861**	**US$**	**67,590**
Liabilities and equity						
Current liabilities:						
Short-term debt and current portion of long-term debt (Note 16)	Ps.	9,039,204	**Ps.**	**26,643,315**	**US$**	**1,904**
Accounts payable and accrued liabilities (Note 13)		145,594,927		**178,740,455**		**12,776**
Taxes payable		22,479,495		**28,622,319**		**2,046**
Derivative financial instruments (Note 11)		453,932		**873,398**		**62**
Related parties (Note 18)		1,911,295		**1,630,265**		**117**
Deferred revenues (Note 15)		25,064,230		**26,248,679**		**1,876**
Total current liabilities		204,543,083		**262,758,431**		**18,781**
Long-term debt (Note 16)		294,060,952		**353,975,487**		**25,301**
Deferred taxes (Note 20)		21,999,235		**16,751,716**		**1,197**
Deferred revenues (Note 15)		3,990,184		**3,175,796**		**227**
Employee benefits (Note 12)		12,884,979		**13,315,736**		**952**
Total liabilities		537,478,433		**649,977,166**		**46,459**
Equity (Note 19):						
Capital stock		96,433,461		**96,419,636**		**6,892**
Retained earnings:						
Prior years		105,009,640		**81,198,952**		**5,804**
Profit for the period		91,123,052		**82,853,529**		**5,922**
Total retained earnings		196,132,692		**164,052,481**		**11,726**
Other comprehensive income items		15,085,830		**25,168,067**		**1,799**
Equity attributable to equity holders of the parent		307,651,983		**285,640,184**		**20,417**
Non-controlling interests		28,385,187		**9,999,511**		**715**
Total equity		336,037,170		**295,639,695**		**21,132**
Total liabilities and equity	Ps.	873,515,603	**Ps.**	**945,616,861**	**US$**	**67,590**

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

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

Consolidated Statements of Comprehensive Income

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

	For the year ended December 31						Millions of U.S. dollars, except for earnings per share	
		2009		2010		2011		2011
Operating revenues:								
Mobile voice services	Ps.	250,575,632	Ps.	268,030,881	**Ps.**	**281,952,808**	**US$**	**20,153**
Fixed voice services		146,975,577		140,178,225		**139,219,344**		**9,951**
Mobile data voice services		55,253,021		76,954,735		**102,190,374**		**7,304**
Fixed data services		60,681,643		66,015,070		**72,007,127**		**5,147**
Paid television		5,958,225		9,484,920		**16,958,846**		**1,212**
Other services		41,810,500		47,191,847		**52,973,005**		**3,786**
		561,254,598		607,855,678		**665,301,504**		**47,553**
Operating costs and expenses:								
Cost of sales and services		232,672,021		253,449,142		**290,902,040**		**20,793**
Commercial, administrative and general expenses		96,466,604		107,406,947		**122,450,633**		**8,752**
Other expenses		3,400,145		3,606,853		**3,176,328**		**227**
Depreciation and amortization (Notes 8 and 9) (includes Ps.55,933,013, Ps.63,749,928 and ended Ps. 67,797,929 corresponding to the years December 31, 2009, 2010 and 2011, respectively, not included in cost of sales and services)		79,904,304		91,071,327		**93,997,035**		**6,718**
		412,443,074		455,534,269		**510,526,036**		**36,490**
Operating income		148,811,524		152,321,409		**154,775,468**		**11,063**
Interest income		3,666,804		4,801,539		**6,853,900**		**490**
Interest expense	(	14,595,493)	(	17,280,735)	**(**	**20,791,606)**	**(**	**1,486)**
Exchange gain (loss), net		13,419,862		5,581,574	**(**	**22,394,716)**	**(**	**1,600)**
Valuation of derivatives and other financial items, net	(	10,061,863)	(	11,975,955)		**8,177,785**		**585**
Equity interest in net income of associated companies		1,959,378		1,671,210		**1,923,997**		**138**
Profit before income tax		143,200,212		135,119,042		**128,544,828**		**9,190**
Income tax (Note 20)		36,299,167		36,213,619		**40,420,662**		**2,889**
Net profit for the period	Ps.	106,901,045	Ps.	98,905,423	**Ps.**	**88,124,166**	**US$**	**6,301**
Net profit for the period attributable to:								
Equity holders of the parent	Ps.	92,697,553	Ps.	91,123,052	**Ps.**	**82,853,529**	**US$**	**5,922**
Non-controlling interests		14,203,492		7,782,371		**5,270,637**		**379**
	Ps.	106,901,045	Ps.	98,905,423	**Ps.**	**88,124,166**	**US$**	**6,301**
Other comprehensive income items:								
Effect of translation of foreign entities	Ps.	33,142,627	Ps. (	7,155,708)	**Ps.**	**10,461,607**	**US$**	**748**
Effect of fair value of derivatives, net of deferred taxes	(	1,366,643)	(	675,686)	**(**	**317,598)**	**(**	**23)**
Total other comprehensive income items for the period		31,775,984	(	7,831,394)		**10,144,009**		**725**
Total comprehensive income for the period	Ps.	138,677,029	Ps.	91,074,029	**Ps.**	**98,268,175**	**US$**	**7,026**
Comprehensive income for the period attributable to:								
Equity holders of the parent	Ps.	115,031,755	Ps.	82,792,909	**Ps.**	**92,935,766**	**US$**	**6,644**
Non-controlling interests		23,645,274		8,281,120		**5,332,409**		**382**
	Ps.	138,677,029	Ps.	91,074,029	**Ps.**	**98,268,175**	**US$**	**7,026**
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations	Ps.	1.19	Ps.	1.15	**Ps.**	**1.05**	**US$**	**0.08**

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

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

Consolidated Statements of Changes in Equity

For the years ended December 31, 2009, 2010 and 2011 (In thousands of Mexican pesos)

		Capital stock		Legal reserve
Balance at January 1, 2009	Ps.	30,125,141	Ps.	358,440
Net profit for the period				
Effect of fair value of derivatives, net of deferred taxes				
Effect of translation of foreign entities				
Comprehensive income for the period				
Dividends				
Repurchase of shares		(9,592)		
Other				
Acquisition of non-controlling interests				
Excess in purchase price over book value of acquired shares of companies under common control				
Balance at December 31, 2009	Ps.	30,115,549	Ps.	358,440
Net profit for the period				
Effect of fair value of derivatives, net of deferred taxes				
Effect of translation of foreign entities				
Comprehensive income for the period				
Dividends				
Repurchase of shares		(4,576)		
Other				
Acquisition of non-controlling interests				
Excess in purchase price over book value of acquired shares of companies under common control		66,322,488		
Balance at December 31, 2010	**Ps.**	**96,433,461**	**Ps.**	**358,440**
Net profit for the period				
Effect of fair value of derivatives, net of deferred taxes				
Effect of translation of foreign entities				
Comprehensive income for the period				
Dividends				
Repurchase of shares		**(13,825)**		
Acquisition of non-controlling interests through public offerings				
Other acquisitions of on-controlling interests				
Balance at December 31, 2011	**Ps.**	**96,419,636**	**Ps.**	**358,440**

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

Retained earnings	Total Retained earnings	Effect of derivative financial Instruments acquired for hedging purposes	Effect of translation	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Ps. 150,505,445	Ps. 150,863,885	Ps. 1,077,400		Ps. 182,066,426	Ps. 58,719,538	Ps. 240,785,964
92,697,553	92,697,553			92,697,553	14,203,492	106,901,045
		(641,878)		(641,878)	(724,765)	(1,366,643)
			Ps. 22,976,080	22,976,080	10,166,547	33,142,627
92,697,553	92,697,553	(641,878)	22,976,080	115,031,755	23,645,274	138,677,029
(25,979,049)	(25,979,049)			(25,979,049)	(7,618,699)	(33,597,748)
(27,244,798)	(27,244,798)		4,371	(27,250,019)	(4,280,548)	(31,530,567)
882,992	882,992			882,992		882,992
(625,032)	(625,032)			(625,032)	(526,821)	(1,151,853)
(262,305)	(262,305)			(262,305)	(5,352)	(267,657)
Ps. 189,974,806	Ps. 190,333,246	Ps. 435,522	Ps. 22,980,451	Ps. 243,864,768	Ps. 69,933,392	Ps. 313,798,160
91,123,052	91,123,052			91,123,052	7,782,371	98,905,423
		(401,357)		(401,357)	(274,329)	(675,686)
			(7,928,786)	(7,928,786)	773,078	(7,155,708)
91,123,052	91,123,052	(401,357)	(7,928,786)	82,792,909	8,281,120	91,074,029
(12,948,813)	(12,948,813)			(12,948,813)	(4,016,583)	(16,965,396)
(17,488,212)	(17,488,212)			(17,492,788)		(17,492,788)
					10,009	10,009
					280,548	280,548
(54,886,581)	(54,886,581)			11,435,907	(46,103,299)	(34,667,392)
Ps. 195,774,252	**Ps. 196,132,692**	**Ps. 34,165**	**Ps. 15,051,665**	**Ps. 307,651,983**	**Ps. 28,385,187**	**Ps. 336,037,170**
82,853,529	**82,853,529**			**82,853,529**	**5,270,637**	**88,124,166**
		(276,748)		**(276,748)**	**(40,850)**	**(317,598)**
			10,358,985	**10,358,985**	**102,622**	**10,461,607**
82,853,529	**82,853,529**	**(276,748)**	**10,358,985**	**92,935,766**	**5,332,409**	**98,268,175**
(13,987,602)	**(13,987,602)**			**(13,987,602)**	**(3,403,114)**	**(17,390,716)**
(52,437,966)	**(52,437,966)**			**(52,451,791)**		**(52,451,791)**
(47,693,452)	**(47,693,452)**			**(47,693,452)**	**(19,770,918)**	**(67,464,370)**
(814,720)	**(814,720)**			**(814,720)**	**(544,053)**	**(1,358,773)**
163,694,041	**164,052,481**	**Ps. (242,583)**	**Ps. 25,410,650**	**285,640,184**	**9,999,511**	**295,639,695**

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

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

	For the year ended December 31 2009	2010	2011	Millions of U.S. dollars, except for earnings per share 2011
Operating activities				
Profit before income tax	Ps. 143,200,212	Ps. 135,119,042	**Ps. 128,544,828**	**US$ 9,190**
Items not requiring the use of cash:				
Depreciation	71,950,246	80,294,690	**82,642,200**	**5,907**
Amortization of intangible assets	7,954,058	10,776,637	**11,354,835**	**812**
Equity interest in net income of associated companies	(1,959,378)	(1,671,210)	**(1,923,997)**	**(138)**
(Gain) loss on sale of fixed assets	(403,030)	806,391	**32,463**	**2**
Net period cost of labor obligations	5,763,956	6,160,141	**6,272,520**	**448**
Exchange (gain) loss, net	(4,828,496)	(3,727,490)	**30,971,438**	**2,213**
Interest expense	14,595,493	17,280,735	**20,791,606**	**1,486**
Valuation of derivatives, net	(1,838,672)	1,037,728	**(10,692,199)**	**(764)**
Working capital adjustments:				
Accounts receivable	(7,610,356)	302,354	**(11,287,204)**	**(806)**
Prepaid expenses	1,148,230	(1,239,958)	**(1,307,557)**	**(94)**
Related parties	707,600	(525,056)	**(530,500)**	**(37)**
Inventories	9,926,393	(2,868,024)	**(6,721,377)**	**(480)**
Other assets	(124,899)	(4,408,473)	**(3,064,825)**	**(219)**
Accounts payable and accrued liabilities	9,764,568	10,192,387	**20,966,860**	**1,498**
Employee profit sharing	(1,132,677)	(3,446,374)	**(3,346,952)**	**(239)**
Financial instruments	5,726,316	2,508,129	**6,130,808**	**438**
Deferred revenues	1,344,792	1,373,800	**994,315**	**71**
Labor obligations	(6,509,295)	(1,797,077)	**(13,030,247)**	**(931)**
Income tax paid	(31,203,046)	(45,410,398)	**(63,556,256)**	**(4,542)**
Net cash flow provided by operating activities	216,472,015	200,757,974	**193,240,759**	**13,814**
Purchase of property, plant and equipment	(77,447,018)	(77,866,409)	**(120,193,188)**	**(8,593)**
Acquisition of licenses	(2,384,001)	(4,075,229)	**(993,692)**	**(73)**
Proceeds from sale of fixed assets	556,704	884,241	**38,312**	**3**
Acquisition of equity investments	(339,701)	(31,463,621)	**(2,271,059)**	**(164)**
Net cash flow used in investing activities	(79,614,016)	(112,521,018)	**(123,419,627)**	**(8,827)**
Financing activities				
Loans obtained	79,685,696	180,852,643	**87,230,827**	**6,237**
Repayment of loans	(112,614,308)	(148,899,354)	**(41,222,218)**	**(2,946)**
Interest paid	(15,927,620)	(14,719,299)	**(18,067,293)**	**(1,291)**
Repurchase of shares	(31,482,657)	(18,150,990)	**(53,726,784)**	**(3,840)**
Dividends paid	(33,081,026)	(17,193,902)	**(17,042,980)**	**(1,218)**
Derivative financial instruments		826,850	**3,158,678**	**226**
Acquisition of non-controlling interests	(1,151,853)	(34,667,391)	**(67,464,370)**	**(4,822)**
Net cash flow used in financing activities	(114,571,768)	(51,951,443)	**(107,134,140)**	**(7,657)**
Net increase (decrease) in cash and cash equivalents	22,286,231	36,285,513	**(37,313,008)**	**(2,666)**
Adjustment to cash flows due to exchange rate fluctuations	1,194,606	(113,581)	**498,539**	**35**
Cash and cash equivalents at beginning of period	36,285,696	59,766,533	**95,938,465**	**6,857**
Cash and cash equivalents at end of period	Ps. 59,766,533	Ps. 95,938,465	**Ps. 59,123,996**	**US$ 4,226**

Non-cash transactions related to:

	2009	2010	2011
Investing activities			
Property, plant and equipment	Ps. 39,442,073	Ps. 7,708,000	**Ps. 36,319,549**
Financing activities			
Capital stock	Ps –	Ps 66,322,488	**Ps. –**

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

1. Description of the business and Relevant Events

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

- The voice services provided by the Company, both mobile and fixed, mainly include the following: airtime, local, domestic and international long-distance services, and network interconnection services.
- The data services provided by the Company include the following: value added, corporate networks, data and Internet services.

  Paid TV represents basic services, as Well as pay per view and additional programming and advertising services.
- Related services mainly include equipment and computer sales, and revenues from advertising in telephone directories, editing services and call center services.

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

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

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

The accompanying financial statements were approved for their issuance by the Board of Directors on April XX, 2012. The financial statements must also be approved by the Company's shareholders, who have the authority to modify the Company's financial statements.

Relevant events

a) Public offerings

i) On January 13, 2010, the Company announced a tender share exchange offer to the shareholders of Carso Global Telecom, S.A.B. de C.V. (hereinafter CGT), which in turn was the holder of 60.7% of the outstanding shares of Telmex Internacional, S.A.B de C.V. (hereinafter Telint), and of 59.4% of the outstanding shares of Telefonos de México, S.A.B de C.V. (hereinafter TMX). América Móvil also announced its intention to make a tender offer for the exchange or purchase of all of the shares of Telint not owned by CGT, which represented 39.3% of the outstanding shares as of the date of the offers.

On June 16, 2010, América Móvil completed the public offer for the acquisition and exchange of shares, resulting in the issuance of 8,438,193,727 Series L shares of América Móvil, which were delivered to the shareholders of CGT (7,088,921,019 shares) and the minority shareholders of Telint (1,349,272,708 shares). The exchange ratio was set at 0.373 shares of América Móvil per share of Telint, and 2.047 shares of América Móvil per share of CGT.

In addition, the Company paid Ps.26,783,689 (US$ 2,120,640 at the exchange rate on the date of the offer) to buy shares from those minority shareholders who did not accept the share exchange. As a result of these tender offers, the Company acquired, directly and indirectly, 92.7% of the outstanding shares of Telint and 59.4% of the outstanding shares of TMX.

From July to December of 2010, the Company increased its direct and indirect holding of the outstanding shares of Telint and TMX to 96.8% and 59.5%, respectively, through additional tender offers.

Before the CGT tender offer, 88.57% of the capital stock of CGT was held by Mr. Carlos Slim and his family (the Slim family) and consequently, that component of the CGT tender offer was accounted for as a transaction between entities under common control with all balances and transactions recognized at historical cost (similar to the pooling-of-interests method) for all the periods presented.

The acquisition of non-controlling interest in the public tender offers was accounted for as an equity transaction calculated at the market value of the offer at the date of acquisition.

ii) In March 2011, the Company launched an additional public offering to acquire up to 571,391,243 outstanding Series A and L shares of Telint from its, corresponding to 3.18% of the total outstanding shares of Telint that were not previously owned by América Móvil.

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

Tender Offer for Outstanding Shares of Telmex

iii) On October 11, 2011, AMX launched a tender offer (the "TMX Tender Offer") for all of the outstanding shares of all classes of capital stock of TMX that AMX did not indirectly own, which represented approximately 40% of the total equity of TMX. The TMX Tender Offer expired on November 11, 2011 and was settled on November 17, 2011. As a result of the TMX Tender Offer, América Móvil, directly and indirectly, owns 92.99% of the shares representing the capital stock of Telmex. The purchase price was Ps.10.50 per share and Ps.210.00 per ADS, resulting in a total purchase price of approximately Ps. 62.5 billion.

At December 31, 2011, the Company increased its direct and indirect holding of the outstanding shares of Telint and TMX to 97.46% and 93.27%, respectively, through additional tender offers, in the amount of Ps. 810,655 and Ps. 565,291, respectively.

The acquisition of non-controlling interest in the public tender offer was accounted for as an equity transaction calculated at the market value of the offer at the date of acquisition.

As of March 27, 2012, the Company owns directly and indirectly 97.48% and 97.18% of the outstanding shares of Telint and TMX, respectively, through additional tender offers.

iv) The Shareholders have approved to delist Telint and TMX American Depositary Shares ("ADSs") from the New York Stock Exchange ("NYSE") and the NASDAQ Capital Market ("NASDAQ") and its L Shares from the Mercado de Valores Latinoamericanos en Euros in Madrid, Spain ("Latibex") and to terminate its American Depositary Receipt ("ADR") programs.

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

a) Basis of preparation

The accompanying financial statements for all the periods presented, have been prepared in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) (hereafter referred to as IFRS), in force at December 31, 2011.

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

The Mexican peso is the currency of presentation of these financial statements.

b) 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 the subsidiaries over which the Company exercises control. The financial statements for the subsidiaries were prepared for the same period as the holding company, applying consistent accounting policies. All of the companies operate in the telecommunications field or provide services to companies relating to this activity.

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

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

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

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

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

The equity interest in the principal subsidiaries and associated companies at December 31, 2010 and 2011 is as follows:

Company name	Country	Equity interest at December 31, 2010	2011
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.	Mexico	100.0%	**100.0%**
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries (Telcel)	Mexico	100.0%	**100.0%**
Telecomunicaciones de Puerto Rico, Inc.	Puerto Rico	100.0%	**100.0%**
Puerto Rico Telephone Company, Inc. (2)	Puerto Rico	100.0%	**100.0%**
PRT Larga Distancia, Inc. (2)	Puerto Rico	100.0%	
Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras)	Honduras	100.0%	**100.0%**
Amov Telecom, S.A. de C.V. (3)	Honduras	100%	
AMX USA Holding, S.A. de C.V.	Mexico	100.0%	**100%**
TracFone Wireless, Inc. (TracFone)	United States	98.2%	**98.2%**
AM Telecom Américas, S.A de C.V.	Mexico	100.0%	**100%**
Claro Telecom Participacoes, S.A.	Brazil	100.0%	**100%**
Americel, S.A.	Brazil	99.4%	**99.4%**
Claro S.A. (antes BCP, S.A.)	Brazil	99.9%	**99.9%**
América Central Tel, S.A. de C.V. (ACT)	Mexico	100.0%	**100%**
Telecomunicaciones de Guatemala, S.A. (Telgua)	Guatemala	99.3%	**99.3%**
Empresa Nicaragüense de Telecomunicaciones, S.A. (Enitel)	Nicaragua	99.5%	**99.5%**
Estesa Holding Corp.	Panama	100.0%	**100.0%**
Cablenet, S.A.	Nicaragua	100.0%	**100.0%**
Estaciones Terrenas de Satélite, S.A. (Estesa)	Nicaragua	100.0%	**100.0%**
AMX El Salvador, S.A de C.V.	Mexico	100.0%	**100.0%**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (CTE)	El Salvador	95.8%	**95.8%**
Cablenet, S.A. (Cablenet)	Guatemala	95.8%	**95.8%**
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	95.8%	**95.8%**
Telecom Publicar Directorios, S.A. de C.V. (Publicom)	El Salvador	48.9%	**48.9%**
CTE Telecom Personal, S.A. de C.V. (Personal)	El Salvador	95.8%	**95.8%**
Comunicación Celular, S.A. (Comcel)	Colombia	99.4%	**99.4%**
Megacanales, S.A.	Colombia	99.4%	**99.4%**
The Now Operation, S.A.	Colombia	99.4%	**99.4%**
Telmex Colombia, S.A.	Colombia	99.1%	**99.3%**
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0%	**100.0%**

Company name	Country	Equity interest at December 31, 2010	2011
AMX Argentina Holdings, S.A.	Argentina	100.0%	**100.0%**
AMX Argentina, S.A.	Argentina	100.0%	**100.0%**
AMX Wellington Gardens, S.A. de C.V.	Mexico	100.0%	**100.0%**
Widcombe, S.A. de C.V.	Mexico	100.0%	**100.0%**
AMX Paraguay, S.A.	Paraguay	100.0%	**100.0%**
AM Wireless Uruguay, S.A.	Uruguay	100.0%	**100.0%**
Claro Chile, S.A.	Chile	100.0%	**100.0%**
América Móvil Perú, S.A.C	Peru	100.0%	**100.0%**
Telmex Perú, S.A. (3)	Peru	99.6%	**99.6%**
AMX Santa Lucía, Inc.(3)	Santa Lucia	99.6%	
Oceanic Digital Jamaica, Ltd. (3)	Jamaica	99.6%	
Claro Panamá, S.A.	Panama	99.7%	**99.7%**
Carso Global Telecom, S.A.B. de C.V.	Mexico	99.9%	**99.9%**
Empresas y Controles en Comunicaciones, S.A. de C.V.	Mexico	99.9%	**99.9%**
Teléfonos de México, S.A.B. de C.V. (4)	Mexico	59.5%	**93.3%**
Telmex Internacional, S.A.B. de C.V.	Mexico	96.8%	**97.5%**
Controladora de Servicios de Telecomunicaciones, S.A.de C.V.	Mexico	96.8%	**97.5%**
Telmex Argentina, S.A.	Argentina	95.6%	**97.3%**
Ertach, S.A.	Argentina	95.6%	**97.3%**
Telstar, S.A.	Uruguay	95.4%	**97.3%**
Ecuador Telecom, S.A.	Ecuador	96.8%	**97.5%**
Empresa Brasileira de Telecomunicacoes, S.A. – Embratel	Brazil	94.2%	**95.1%**
Páginas Telmex Colombia, S.A.	Colombia	96.8%	**97.5%**
Claro 155, S.A.	Chile	96.8%	**97.5%**
Claro 110, S.A.	Chile	96.8%	**99.9%**
Sección Amarilla USA, LLC.	United States	96.8%	**97.5%**
Publicidad y Contenido Editorial, S.A. de C.V. (3)	Mexico	96.8%	**97.5%**
Editorial Contenido, S.A. de C.V.	Mexico	96.8%	**97.5%**
Plaza VIP COM.S.A.P.I. de C.V. (1)	Mexico		**78.0%**
Grupo Telvista, S.A. de C.V.	Mexico	71.5%	**86.9%**
Associated companies:			
Hildebrando, S.A. de C.V.	Mexico	26.9%	**34.3%**
Net Servicios de Comunicacao, S.A.	Brazil	84.8%	**87.5%**

(1) On June 22, 2011, Contenido Cultural y Educativo acquired 51% of the outstanding shares of Plaza VIP COM, S.A.P.I. de C.V., this transaction was through an agreement of the purchase of shares.

(2) On August 1, 2011, PRT Larga Distancia, Inc. was merged into Puerto Rico Telephone Company, Inc.

(3) In November 2011, Telmex Perú, S.A. sold its 99.6% of the equity in ODJ to Sercom Honduras, which Exchange such equity investment plus cash in order to acquired 100% of the outstanding shares of Digicel de Honduras, S.A. (Digicel), the legal name of Digicel was change to Amov Telecom, S.A. de C.V.; y,

(4) As a result of the Tender Public Offering made by the Company in relation with the outstanding shares of Teléfonos de México, S.A.B. de C.V., its equity investment in that subsidiary increased.

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

The financial statements of foreign subsidiaries and associated companies jointly represent approximately 57%, 59% and 59% of operating revenues of 2009, 2010 and 2011, respectively, and approximately 70% and 76% of total assets at December 31, 2010 and 2011, respectively. The financial information of these entities is either consolidated or recognized using the equity method, as the case may be, after the financial statements have been converted to IFRS in the respective local currency and translated into the reporting currency, in accordance with the following:

The reported financial statements of América Móvil's foreign operations were converted to International Financial Reporting Standards in the local currency and then translated into the reporting currency. Since none of our subsidiaries and associates operate in a hyperinflationary economic environment and the local currency is their functional currency, the translation of their financial statements prepared under IFRS and denominated in their respective local currencies, was translated as follows:

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

The difference resulting from the translation process is recognized in equity in the caption "Effect of translation of foreign entities. At December 31, 2010 and 2011, the cumulative translation gain was Ps.15,051,665 and Ps.25,410,650, respectively.

c) Revenue recognition

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

Voice services

- Monthly rent in post-paid plans is billed based on the associated plan and package rates, corresponding to when the services are provided. Revenues billed for services to be rendered are recognized as deferred revenues.
- Revenues from local services are derived from charges for line installations, monthly rent for services and monthly charges for metered services based on the number of minutes. These revenues depend on the number of lines in service, the number of newly installed lines and volume of minutes.
- Revenues for interconnection services, which represent calls from other carriers entering the Company's mobile and fixed line networks (incoming interconnection services), are recognized at the time the service is provided. Such services are invoiced based on the rates previously agreed with other carriers.
- Long-distance revenues originate from airtime or minutes used in making calls in a region or coverage areas outside of the area where the customer's service is activated. These revenues are recognized at the time the service is provided.
- Revenues from roaming charges are related to airtime charged to customers for making or receiving calls when visiting a local service area, country or region outside the local service area where the customer's service is activated. The related revenues are recognized at the time the service is provided based on the rates established and agreed upon by our subsidiaries with other domestic and international mobile carriers.

Data

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

Pay television

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

Other related services

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

Commissions paid to distributors
Commissions paid to distributors for post-paid plans, whether for activation, loyalty or volume, are presented as a reduction of revenues.

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

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

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

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

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

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

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

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

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

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

i) Business combinations and goodwill
Business combinations are accounted for using the acquisition method. Goodwill represents the difference between the purchase price and the fair value of the net assets acquired at the acquisition date.

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

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

For the years ended December 31, 2009, 2010 and 2011, no impairment losses were recognized for the goodwill shown in the Company's statement of financial position.

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

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

Borrowing costs that are incurred for general financing for construction in progress for periods exceeding 6 months are capitalized as part of the cost of the asset.

During 2010 and 2011 the borrowing costs that were capitalized amounted to Ps.2,540,837 and Ps.3,845,609, respectively.

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

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

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

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

Annual depreciation rates are as follows:

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

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

For the years ended December 31, 2009 2010 and 2011, no impairment losses were recognized.

k) Licenses and trademarks

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

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

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

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

For the years ended December 31, 2009 2010 and 2011, no impairment losses were recognized.

l) Impairment in the value of long-lived assets

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

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

Key assumptions used in value in use calculations

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

The subsidiaries being analyzed for impairment are cash generating units that through December 31, 2011 were under the Company's operation.

The forecasts were performed by the Company's management in real terms (without inflation) and in pesos with acquisition value as of December 31, 2011. The forecasts were made according to the 2011 budget which was approved by the Company's Chief Executive Officer (CEO) and are the same presented to the Board of Directors.

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

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

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

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

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

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

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

Discount rate and market participants

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

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

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

m) Leases

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

- Operating leases

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

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

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

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

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

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

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

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

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

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

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

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

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

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

Loans and borrowings

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

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

Offsetting of financial instruments

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

Fair value of financial instruments

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

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

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

o) Transactions in foreign currency

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

p) Accounts payable, accrued liabilities and provisions

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

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

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

q) Employee benefits

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

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

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

The Company recognizes the cost for pension benefits, seniority premiums and termination benefits on an annual basis based on independent actuarial computations applying the projected unit-credit method, using financial assumptions net of inflation. The latest actuarial computation was prepared as of December 31, 2011.

For the rest of the Company's subsidiaries, there are no defined benefit plans or compulsory defined contribution structures. However, the foreign subsidiaries make contributions to national pension, social security and severance plans in accordance with the percentages and rates established by the applicable payroll and labor laws of each country.

Such contributions are made to the entities designated by the state and are recorded as direct labor benefits in the results of operations as they are incurred.

The actuarial (losses) gains are amortized based on the estimated average remaining working lifetime of employees of the respective subsidiary; such periods range between 11 and 20 years.

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

For the actuarial losses or gains the Company uses the corridor approach. This approach consists in amortized the actuarial losses or gains based on the estimated average remaining working lifetime of employees of the respective subsidiary.

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

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

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

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

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

Deferred tax consequences on unremitted foreign earnings are accounted for as temporary differences, except to the extent that the Company is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future. Taxes paid on remitted foreign earnings are able to be offset against Mexican taxes, thus to the extent that a remittance is to be made, the deferred tax would be limited to the incremental difference between the Mexican tax rate and the rate of the remitting country. As of December 31, 2011 and 2010, the Company has not provided any deferred taxes related to unremitted foreign earnings.

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

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Receivables and payables that are stated with the amount of sales tax included

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

u) Advertising
Advertising expenses are expensed as incurred. For the years ended December 31, 2009, 2010 and 2011, advertising expenses were Ps. 12,311,499, Ps. 14,619,745 and Ps. 17,867,455, respectively.

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

w) Concentration of risk

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

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

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

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

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

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

Sensitivity analysis

a) Exchange rate fluctuations

Should the Company's debt at December 31, 2011 of Ps. 321,494,806 suffer a 10% increase in exchange rates, the debt would increase by Ps. 28,653,000 (resulting in total debt of

Ps. 350,147,806), while the Company's net interest expense would increase by

Ps. 1,547,000 as a consequence of the base for interest being higher in Mexican pesos.

b) Interest rates

In the event that the Company's agreed-upon interest rates at December 31, 2011 increased by 100 basis points, the increase in net interest expense would be Ps.3,979,860.

The Company depends on several key suppliers and sellers. During the fiscal periods 2009, 2010 and 2011, approximately 66%, 67% and 58%, respectively, of the total cost of the cellular equipment of América Móvil represent purchases made from three suppliers, and approximately 39%, 45% and 29%, respectively, of the telephony plant equipment was purchased from two suppliers. If any of these suppliers were to cease to provide equipment and services to the Company, or to provide them in a timely manner and at a reasonable cost, the Company's business and results of operations might be adversely affected.

x) Derivative financial instruments

The Company is exposed to interest rate and foreign currency risks, which it tries to mitigate through a controlled risk management program that includes the use of derivative financial instruments. The Company principally uses cross-currency swaps and, if necessary, foreign currency forwards to offset the short-term risk of exchange rate fluctuations. For purposes of reducing the risks from changes in interest rates, the Company utilizes interest rate swaps through which it pays or receives the net amount resulting from paying or receiving a fixed rate, and from receiving or paying cash based on a variable rate, on notional amounts denominated mainly in Mexican pesos, U.S. dollars, Japanese yen, Swiss francs and Euros. At December 31, 2009, 2010 and 2011, some of the Company's derivative financial instruments have been designated, and have qualified, as cash flow hedges.

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

The effectiveness of the Company's derivatives is evaluated prior to their designation as hedges, as well as during the hedging period, which is performed at least quarterly based on recognized statistical techniques. Whenever it is determined that a derivative is not highly effective as a hedge or that the derivative ceases to be a highly effective hedge, the Company ceases to apply hedge accounting for the derivative on a prospective basis. For the years ended December 31, 2009, 2010 and 2011, there were no gains or losses due to changes in the accounting treatment of hedges.

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

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

y) Presentation of statement of income

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

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

z) Operating segments

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

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

z.1) Convenience translation

At December 31, 2011, amounts in U.S. dollars have been included in the financial statements solely for the convenience of the reader and have been translated to Mexican pesos at December 31, 2011 at an exchange rate of Ps.13.99 pesos per U.S. dollar, which was the exchange rate at that date. Such translation should not be construed as a representation that the Mexican peso can be converted to U.S. dollars at the exchange rate in effect on December 31, 2011 or any other exchange rate.

z.2) Changes in accounting policies and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of January 1, 2011:

IAS 24, Related Party Disclosures (Revised)

Effective January 1, 2011, AMX adopted IAS 24, Related Party Disclosures (Revised), under which the definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control.

This amendment was applied retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The adoption of the amendment did not have any impact on the financial position or performance of the Company.

IAS 32, Financial Instruments: Presentation — Classification of Rights Issues (Amendment)

IAS 32 was effective for annual periods beginning on or after February 1, 2010. The definition of financial liability has been amended to classify rights issues (and certain options or warrants) as equity instruments if:

a) The rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments

b) The rights are to acquire a fixed number of the entity's own equity instruments for fixed amount in any currency.

This amendment is applied retrospectively, in accordance with requirements of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, for changes in accounting policy. Earlier application is permitted and must be disclosed.

The amendment has had no effect on the financial position or performance of the Company because the Company does not have these types of instruments.

IFRIC 14, Prepayments of a Minimum Funding Requirement (Amendment)
Effective for annual periods beginning on or after January 1, 2011. The amendment to IFRIC 14 provides further guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

This amendment is applied retrospectively to the beginning of the earliest period presented in the first financial statements in which the entity originally applied IFRIC 14.

Entities will need to determine whether prepayments made will need to be re-assessed for their impact on the recoverability of pension assets. Entities applying the corridor approach to recognize actuarial gains and losses will also need to take account of the interaction between the corridor and the recoverability of the plan assets.

The Company is not subject to minimum funding requirements in any of its subsidiaries, therefore the amendment of the interpretation has no effect on the financial position or performance of the Company.

3. Standards issued but not yet effective

New standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IAS 1, Financial Statement Presentation. Presentation of Items of Other Comprehensive Income
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Company´s financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012.

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

IAS 12, Income Taxes Recovery of Underlying Assets
The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16, Property, Plant and Equipment, always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after January 1, 2012.

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

IAS 19, Employee Benefits (Amendment)
On June 16, 2011, the IASB published modifications to IAS 19, Employee Benefits, which changes the accounting for defined benefit plans and termination benefits. The modifications require the recognition of the changes in the defined benefit obligation and plan assets when they occur, eliminating the corridor approach and accelerating the recognition or past service costs. The changes also eliminate the deferral of actuarial gains/losses, and require that they be recorded directly within other comprehensive income in each reporting period. Changes in the defined benefit obligation and plan assets are divided in three components: service cost, net interest of net (assets) liabilities of defined benefits and remeasurement of the net (assets) liabilities for defined benefits. The net interest is calculated using a rate of return for high quality corporate bonds, which may be less than the current rate used to calculate the expected return on the plan assets, resulting in a decrease to the profit for the current period.

The modifications are effective beginning January 1, 2013, with early adoption allowed. Also retrospective application is required with certain exceptions.

As disclosed in Note 12, the Company has defined benefit pension plans for its operations in Puerto Rico, Embratel (Brazil) and Telmex (Mexico), all of which have unrecognized actuarial losses. The Company is still evaluating the impact that the revisions to IAS 19 may have on the consolidated financial statements. However, due to the elimination of the corridor approach, the Company's unamortized actuarial losses, as described in Note 12, will be charged to "Other comprehensive income items" upon adoption.

IFRS 7, Financial Instruments: Disclosures. Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company´s financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011. The amendment affects disclosure only and has no impact on AMXs financial position or performance.

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

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

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

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

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

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

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

A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after January 1, 2013.

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

4. Cash and Cash Equivalents

		At December 31, 2010		2011
Cash in banks	Ps.	17,765,427	**Ps.**	**26,025,040**
Short-term deposits		78,173,038		**33,098,956**
	Ps.	95,938,465	**Ps.**	**59,123,996**

5. Accounts Receivable, net

a) An analysis of accounts receivable at December 31, 2010 and 2011 is as follows:

	At December 31,			
		2010		2011
Subscribers and distributors	Ps.	80,131,506	**Ps.**	**92,744,737**
Mobile phone carriers for network interconnection and other services including "el que llama paga" (calling party pays)		11,920,896		**12,513,251**
Recoverable taxes		12,291,883		**33,305,174**
Sundry debtors		7,822,509		**9,769,013**
		112,166,794		**148,332,175**
Less: Allowance for bad debts due from customers, distributors and mobile phone carriers		(19,002,607)		**(23,358,822)**
Net	Ps.	93,164,187	**Ps.**	**124,973,353**

b) Changes in the allowance for doubtful accounts during the years ended December 31, 2009, 2010 and 2011 were as follows:

	At December31,					
		2009		2010		2011
Balance at beginning of period	Ps.	(12,513,427)	Ps.	(16,516,604)	**Ps.**	**(19,002,607)**
Increases recorded in expenses		(11,813,733)		(8,777,914)		**(12,111,915)**
Charges against the allowance provision		9,609,485		5,903,396		**8,252,701**
Translation effect		(1,798,929)		388,515		**(497,001)**
Balance at end of period	Ps.	(16,516,604)	Ps.	(19,002,607)	**Ps.**	**(23,358,822)**

c) The following table shows a breakdown of accounts receivable based on their age at December 31, 2010 and 2011, for subscribers and distributors:

		Total	Unbilled services provided about to come due		1- 30 days		30-60 days		61-90 days		Greater than 90 days
December 31, 2010	Ps.	80,131,506	41,798,709	Ps.	14,975,196	Ps.	3,388,262	Ps.	2,289,979	Ps.	17,679,360
December 31, 2011	**Ps.**	**92,744,737**	**50,330,552**	**Ps.**	**16,468,777**	**Ps.**	**3,655,367**	**Ps.**	**2,011,698**	**Ps.**	**20,278,343**

6. Inventories, net

An analysis of inventories at December 31, 2010 and 2011 is as follows:

		2010		2011
Mobile phones, accessories, cards and other materials	Ps.	27,785,743	**Ps**	**36,479,153**
Less: Reserve for obsolete and slow-moving inventories		(1,704,213)		**(2,337,836)**
Total	Ps.	26,081,530	**Ps.**	**34,141,317**

7. Other assets, net

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

		2010		2011
Current portion:				
Advances to suppliers (including advertising, insurance and maintenance)	Ps.	9,047,540	**Ps.**	**10,515,154**
Other		587,893		**331,595**
	Ps.	9,635,433	**Ps.**	**10,846,749**
Non-current portion:				
Recoverable taxes	Ps.	3,773,686	**Ps.**	**4,755,091**
Advance payments for the use of fiber optics		1,247,565		**1,472,364**
Prepaid expenses		6,570,627		**8,828,966**
Total	Ps.	11,591,878	**Ps.**	**15,056,421**

For the years ended December 31, 2009, 2010 and 2011, the amortization expense for other assets was Ps.200,570, Ps.314,652 and Ps. 398,383, respectively.

8. Property, Plant and Equipment, net

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

	2010	2011
Telephone plant and equipment	Ps. 336,923,824	**Ps. 412,001,302**
Land and buildings	44,187,818	**55,250,523**
Other assets	51,312,793	**65,455,040**
	432,424,435	**532,706,865**
Less: Accumulated depreciation	(73,712,544)	**(135,463,376)**
Net	358,711,891	**397,243,489**
Construction in process and advances to equipment suppliers	41,082,331	**50,848,277**
Inventory for operation of the telephone plant	12,026,165	**17,995,007**
Total	Ps. 411,820,387	**Ps. 466,086,773**

a) An analysis of Property, plant and equipment, net at December 31, 2009, 2010 and 2011 is as follows:

Cost	Telephone plant and equipment	Land and buildings	Other assets	Construction in process and advances to telephone plant suppliers	Inventories for operation of the telephone plant	Total
At January 1, 2009	Ps. 270,613,218	Ps. 39,583,321	Ps. 33,483,863	Ps. 36,782,499	Ps. 10,064,856	Ps. 390,527,757
Additions	74,959,087	2,853,991	15,714,566	39,677,448	10,885,462	144,090,554
Retirements and transfers	(23,178,763)	(590,465)	(2,765,727)	(46,402,477)	(12,711,215)	(85,648,647)
Effect of translation	24,383,870	1,171,276	6,234,060	4,621,270	305,839	36,716,315
At December 31, 2009	346,777,412	43,018,123	52,666,762	34,678,740	8,544,942	485,685,979
Additions	69,658,347	5,563,225	17,013,627	49,295,626	16,090,226	157,621,051
Retirements and transfers	(70,803,070)	(3,994,709)	(15,292,206)	(41,672,926)	(12,408,095)	(144,171,006)
Effect of translation	(8,708,865)	(398,821)	(3,075,390)	(1,219,109)	(200,908)	(13,603,093)
At December 31, 2010	336,923,824	44,187,818	51,312,793	41,082,331	12,026,165	485,532,931
Additions	72,736,548	9,680,678	13,492,397	38,419,430	18,904,313	153,233,366
Retirements and transfers	(16,186,099)	(350,418)	(2,262,172)	(30,439,838)	(13,311,357)	(62,549,884)
Effect of translation	18,527,029	1,732,445	2,912,022	1,786,354	375,886	25,333,736
At December 31, 2011	**Ps. 412,001,302**	**Ps. 55,250,523**	**Ps. 65,455,040**	**Ps. 50,848,277**	**Ps. 17,995,007**	**Ps. 601,550,149**

Cost	Telephone plant and equipment	Land and buildings	Other assets	Construction in process and advances to telephone plant suppliers	Inventories for operation of the telephone plant	Total
Depreciation						
At January 1, 2009						
Depreciation of the year	Ps. 55,817,970	Ps. 2,486,281	Ps. 13,642,873		Ps. 3,122	Ps. 71,950,246
Retirements	(9,528,934)	(974,357)	(7,178,373)		(18,840)	(17,700,504
Effect of translation	9,952,735	(108,442)	2,866,213		(6,901)	12,703,605
At December 31, 2009	Ps. 56,241,771	Ps. 1,403,482	Ps. 9,330,713		Ps. (22,619)	Ps. 66,953,347
Depreciation of the year	63,414,234	$ 2,933,314	$ 13,913,627		33,515	80,294,690
Retirements	(55,238,068)	(3,809,266)	(8,930,180)		(22,509)	(68,000,023)
Effect of translation	(5,592,649)	(350,241)	413,696		(6,276)	(5,535,470)
At December 31, 2010	58,825,288	177,289	14,727,856		(17,889)	73,712,544
Depreciation of the year	68,660,250	1,396,102	12,581,222		4,626	82,642,200
Retirements	(30,664,840)	(53,910)	(3,211,913)		(7,988)	(33,938,651)
Effect of translation	11,130,430	318,881	1,590,024		7,948	13,047,283
At December 31, 2011	**Ps. 107,951,128**	**Ps. 1,838,362**	**Ps. 25,687,189**		**Ps. (13,303)**	**Ps. 135,463,376**
Book value						
At December 31, 2009	Ps. 290,535,641	Ps. 41,614,641	Ps. 43,336,049	Ps. 34,678,740	Ps. 8,567,561	Ps. 418,732,632
At December 31, 2010	278,098,536	44,010,529	36,584,937	41,082,331	12,044,054	411,820,387
At December 31, 2011	**Ps. 304,050,174**	**Ps. 53,412,161**	**Ps. 39,767,851**	**Ps. 50,848,277**	**Ps. 18,008,310**	**Ps. 466,086,773**

b) At December 31, 2010 and 2011, property, plant and equipment includes the following assets under capital leases:

		2010		2011
Assets under capital leases	Ps.	2,902,679	**Ps.**	**946,583**
Accumulated depreciation	(	1,160,237)	**(**	**559,696)**
	Ps.	1,742,442	**Ps**	**386,887**

c) In view of the major advances and changes in telecommunications equipment technology, the Company periodically reevaluates the estimated useful lives of its telephone plant and adjusts the remaining useful lives. In 2009, the Brazilian subsidiary (Claro) increased the depreciation rate for its telephone plant of GSM Technology on a prospective basis. In 2010, the Company increased the depreciation rates of its assets that use certain fixed telephony technologies, mainly in Brazil, Colombia, Paraguay and Guatemala. These changes in estimates were made to better reflect technological advances in telecommunications equipment in the Company's accounting. The increase in depreciation rates gave rise to an increase in depreciation expense for the years ended December 31, 2009 and 2010 of Ps.4,461,748 and Ps.6,291,113, respectively.

d) At December 31, 2011, Embratel has real property and other equipment delivered in guarantee of legal proceedings in the amount of Ps.2,609,023 (Ps.2,686,636 in 2010).

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

	At December 31,					
		2009		2010		2011
Amount invested in the acquisition of qualifying assets	Ps.	29,226,390	Ps.	41,976,901	**Ps.**	**51,240,658**
Capitalized interest		1,862,628		2,540,837		**3,845,609**
Capitalization rate		6.4%		6.1%		**7.5%**

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

f) Others

In December 2009, Star One entered into an agreement denominated in U.S. dollars with a manufacturer for the construction and launching of the Star One C-3 satellite. The cost of the project is estimated to be approximately Ps. 3,777,408 (US$ 270 million). At December 31, 2011, the amount of construction in process associated with this project amounts to Ps.2,478,777 (Ps.992,842 in 2010).

In January 2012, Star One signed a contract to build a new satellite called Star One C-4, which will be equipped with "Transponder Band Ku" of high potency and its launch is expected to occur in June 2014.

9. Intangible and Other Assets

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

	At December 31, 2009											
		Balance at beginning of year		Acquisitions		Disposals		Amortization of the year		Effect of translation of foreign subsidiaries, net		Balance at end of year
Licenses and rights of use	Ps.	95,811,743	Ps.	9,237,878							Ps.	105,049,621
Effect of translation									Ps.	6,099,366		6,099,366
Accumulated amortization	(	54,032,227)					Ps. (	6,585,078)			(	60,617,305)
Net		41,779,516		9,237,878			(	6,585,078)		6,099,366		50,531,682
Trademarks		12,163,183			Ps.	1,679						12,164,862
Effect of translation										287,104		287,104
Accumulated amortization	(	5,749,400)					(	1,168,410)			(	6,917,810)
Net		6,413,783				1,679	(	1,168,410)		287,104		5,534,156
Goodwill		64,706,795										64,706,795
Effect of translation										4,489,371		4,489,371
Net	Ps.	64,706,795							Ps.	4,489,371	Ps.	69,196,166

	At December 31, 2010					
	Balance at beginning of year	Acquisitions	Disposals	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	Ps. 105,049,621	Ps. 4,705,397	Ps. (404,911)			Ps. 109,350,107
Effect of translation	6,099,366				Ps. (1,385,222)	4,714,144
Accumulated amortization	(60,617,305)		248,054	Ps. (9,174,142)		(69,543,393)
Net	50,531,682	4,705,397	(156,857)	(9,174,142)	(1,385,222)	44,520,858
Trademarks	12,164,862	81,612				12,246,474
Effect of translation	287,104				203,952	491,056
Accumulated amortization	(6,917,810)			(1,287,843)		(8,205,653)
Net	5,534,156	81,612		(1,287,843)	203,952	4,531,877
Goodwill	64,706,795					64,706,795
Effect of translation	4,489,371				1,722,801	6,212,172
Net	Ps. 69,196,166				Ps. 1,722,801	Ps. 70,918,967

	At December 31, 2011					
	Balance at beginning of year	Acquisitions	Disposals	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses and rights of use	**Ps. 109,350,107**	**Ps. 2,628,249**	**Ps.(281,397)**			**Ps. 111,696,959**
Effect of translation	**4,714,144**				**Ps. 1,231,521**	**5,945,665**
Accumulated amortization	**(69,543,393)**	**(1,075)**	**164,135**	**Ps. (9,731,392)**		**(79,111,725)**
Net	**44,520,858**	**2,627,174**	**(117,262)**	**(9,731,392)**	**1,231,521**	**38,530,899**
Trademarks	**12,246,474**					**12,246,474**
Effect of translation	**491,056**				**(299,963)**	**191,093**
Accumulated amortization	**(8,205,653)**			**(1,225,060)**		**(9,430,713)**
Net	**4,531,877**			**(1,225,060)**	**(299,963)**	**3,006,854**
Goodwill	**64,706,795**	**159,797**	**(152,285)**			**64,714,307**
Effect of translation	**6,212,172**				**2,111,954**	**8,324,126**
Net	**Ps. 70,918,967**	**Ps. 159,797**	**Ps.(152,285)**		**Ps. 2,111,954**	**Ps. 73,038,433**

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

2011 Acquisitions

i) During the first quarter of 2011, the Company won a public bid to provide mobile telecommunications services on a nationwide level in Costa Rica. The concession obtained by its subsidiary grants the Company the right to use and exploit the 70Mhz frequency range for a term of 15 years. The upfront amount paid was Ps. 926 million and no further payments need to be made.

ii) As a consequence of the acquisition of Digicel Group described in Note 10, AMX recognized a license for an amount of Ps. 1,149,119 (U.S.$82.1 million approximately). This license grants the Company right to use and exploit the 900 Mhz frequency range for a term of 25 years.

2010 Acquisitions

i) In March 2010, Telcel obtained an extension on the concessions over its 9 regions to install, operate and exploit a public telecommunications network in the allocated frequencies of 835-84/880-890 Mhz, for which it paid Ps.74,843.

ii) In August 2010, Telcel obtained concessions for its 9 operating regions to use, operate and exploit 10 Mhz frequency bandwidth of radiofrequency spectrum for specific purposes in Mexico (Bid 21). These concessions are for periods of up to 20 years as of their issuance date for which the Company paid Ps.3,793,865.

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

2009 Acquisitions

In 2009, the investment mainly refers to the acquisition of irrevocable rights of use (IRUs), and point-to-point concessions from related parties (NET) for a 5-year period with the option to renew for an additional 5-year term.

This concession has been amortized starting the month after it was issued, using the straight line method based over its respective useful life.

c) Amortization of licenses, rights of use and trademarks for the years ended December 31, 2009, 2010 and 2011 amounted to Ps.7,753,488, Ps.10,461,985, and Ps.10,956,452, respectively.

10. Equity Investments in Associates and Acquisitions

a) An analysis of this caption is as follows

	At December 31,			
		2010		2011
Investments in:				
Net Serviços de Comunicação, S.A.	Ps.	49,675,380	**Ps.**	**53,055,002**
Other investments		864,075		**1,163,021**
Total	Ps.	50,539,455	**Ps**	**54,218,023**

b) The following is a summary of changes in the investment in Net Serviços de Comunicação, S.A. (NET) during the years ended December 31, 2009, 2010 and 2011:

	Balance at January 1, 2009	Equity Interest Acquired	Equity Interest in net income of associate	Effect of translation	Balance at December 31, 2009
NET	Ps. 11,156,688		Ps. 1,859,064	Ps. 3,551,946	Ps. 16,567,698

	Balance at December 31, 2009	Equity Interest Acquired	Equity Interest in net income of associate	Effect of translation	Balance at December 31, 2010
NET	Ps. 16,567,698	Ps. 31,524,315	Ps. 1,432,726	Ps. 150,641	Ps. 49,675,380

	Balance at December 31, 2010	Equity Interest Acquired	Equity Interest in net income of associate	Effect of translation	Balance at December 31, 2011
NET	**Ps. 49,675,380**	**Ps. 1,185,359**	**Ps. 1,856,331**	**Ps. 337,932**	**Ps. 53,055,002**

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

Acquisitions 2010

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

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

As a result of these acquisitions, at December 31, 2010 and 2011, AMX, through Embratel Participações, S.A (Embrapar) and Embratel, had an equity interest in NET (directly and indirectly) of 84.8% and 87.5%, respectively.

In September 2011, the Brazilian Congress lifted the 49% cap on foreign ownership of cable operators. Consequently, regulatory approval from Anatel was given to Embrapar to obtain control in NET in February 2012. As a result of this approval, AMX is legally entitled to control NET and consolidated NET in its financial statements as of February 1, 2012.

The following tables show condensed consolidated financial information of NET

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

	As of December 31,			
		2010		2011
Assets				
Current assets	Ps.	15,880,829	**Ps.**	**12,150,510**
Non current assets		48,300,106		**63,961,551**
Total of assets	Ps.	64,180,935	**Ps.**	**76,112,061**
Liabilities and equity				
Current liabilities	Ps.	9,373,879	**Ps.**	**12,968,905**
Non current liabilities		26,095,392		**25,857,182**
Total of liabilities		35,469,271		**38,826,087**
Total of equity		28,711,664		**37,285,974**
Total of liabilities and equity	Ps.	64,180,935	**Ps.**	**76,112,061**

Condensed Consolidated Statements of Income

	As of December 31,					
		2009		2010		2011
Operating revenues, net	Ps .	28,810,704	Ps.	36,051,290	**Ps.**	**45,631,540**
Operating costs and expenses		24,788,693		31,510,857		**41,117,974**
Operating income		4,022,011		4,540,433		**4,513,566**
Net profit	Ps.	4,622,785	Ps.	2,559,185	**Ps.**	**2,005,330**

The fair value of this investment was determined based on the market value of the shares as of December 31, 2011 and 2010 and amounted to Ps. 50,667,964 and Ps. 39,956,125, respectively.

The investment in NET was not consolidated by AMX as of December 31, 2011 and 2010 because the Company did not have a controlling interest in the voting common shares at that time.

Acquisitions 2011

Other

Star One S.A.

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

Digicel Group Limited

On November 30, 2011, América Móvil announced that as a result of the agreement entered into with Digicel Group Limited and its affiliates ("Digicel"), during the first quarter of 2011, it has acquired as of the date hereof 100% of Digicel's operations in Honduras and consummated the sale of its operations in Jamaica to Digicel. The amount paid was Ps. 4,733,385.

The Company is in the process of determining the final fair value of the net assets acquired in order to be able to apply the purchase price allocation.

Subsequent events

a) On January 6, 2012, América Móvil, entered into an agreement with Claxson Interactive Group, Inc. during the fourth quarter of 2011, and has acquired as of such date 100% of the shares representing the capital stock of DLA, Inc. ("DLA"). The amount paid was Ps. 615,927 (US$ 50 million).

   DLA is the leading corporation in the development, integration and delivery of entertainment products made for digital distribution in Latin America.

b) On January 26, 2012, the Brazilian regulator (Agencia Nacional de Telecomunicaciones de Brasil "ANATEL") approved that the control of NET could be transferred to Embratel Participaçoes, S.A (Embrapar). This authorization allows Embrapar to exercise the purchase option related to the common voting shares of NET that are owned by GB Empreendimentos e Participacoes S.A. (GB), which is the entity that controls NET. Once the option is exercised, Embrapar jointly with its subsidiary Embratel will have the controlling interest in NET.

   On March 5, 2012, Embrapar acquired the 1,077,520 common voting shares owned by GB that were included in the purchase option. The amount paid to acquire these shares was Ps. 47,649 million (R$ 6,439 million). The shares acquired represent 5.5% of the outstanding common voting shares of NET; increasing Embrapar's ownership of the outstanding shares with voting rights to 54.5%.

   As a result of that transaction, direct and indirect equity participation of the Company in NET is 90.0%. With this acquisition, AMX expects to increase its activities in the Brazilian telecommunication market.

11. Derivative Financial Instruments

To mitigate the risks of future increases in interest rates for the servicing of its long-term debt of Ps.353,975,487 as of December 31, 2011, the Company has entered into interest-rate swap contracts in over-the-counter transactions carried out with financial institutions from which the Company has obtained the loans. No collateral or other amounts are given as a guarantee in connection with these transactions. The weighted average interest rate of the total debt is 4.6%.

An analysis of the derivative financial instruments contracted by the Company at December 31, 2010 and 2011 is as follows:

	At December 31,							
	2010				2011			
Instrument		Notional amount in millions		Fair value in millions		Notional amount in millions		Fair value in millions
Swaps Dollar-Peso	US$	3,592	Ps.	5,220	**US$**	**2,801**	**Ps.**	**8,181**
Swaps Euro-Peso	€	244		(342)	€	**306**		**454**
Swaps Euro-Dollar	€	123		36	€	**955**		**(456)**
Swaps Yen-Dollar	¥	13,000		576	**¥**	**6,900**		**6**
Swaps Yen-Peso	¥	19,891		1,006				
Swaps CHF-Euro		230		501				
Swaps CHF-Dollar		230		(63)				
Interest rate swaps in Pesos	Ps.	16,649		(1,526)	**$**	**12,840**		**(1,496)**
Forwards Dollar-Peso	US$	1,673		(150)	**US$**	**3,408**		**1,133**
Forwards Pound-Peso						**25**		**17**
Forwards Euro-Dollar						**90**		**2**
Total asset			Ps.	5,321			**Ps.**	**7,778**
Interest rate swaps	Ps.	9,400	Ps.	(454)	**Ps.**	**9,400**	**Ps.**	**(851)**
Forwards Reales-Dollar						**50**		**(22)**
Total liability			Ps.	(454)			**Ps.**	**(873)**

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2009, 2010 and 2011 amounted to a (loss) gain of Ps. (8,571,230), Ps. (9,141,976) and Ps.10,889,940, respectively, and such amounts are included in the statement of comprehensive income as part of the caption "Valuation of derivatives and other financial items, net".

12. Employee Benefits

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

	At December 31,			
		2010		2011
Mexico	Ps.	77,531	**Ps.**	**113,861**
Ecuador		62,477		**73,351**
Brazil		2,483,463		**1,913,544**
Puerto Rico		10,261,508		**11,214,980**
Total	Ps.	12,884,979	**Ps.**	**13,315,736**

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

b) Puerto Rico

Pension plan

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

This pension plan is comprised of two types of payments:

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

The following tables show the net benefit cost and liabilities for labor obligations related to the funds and costs associated with these pension and post-retirement plans at December 31, 2010 and 2011:

	At December 31,			
	2010		2011	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits benefits	Post-retirement
Projected benefit obligation at beginning of year	Ps. 18,029,248	Ps. 8,829,662	**Ps. 18,764,099**	**Ps. 9,276,354**
Service cost	232,830	72,746	**257,771**	**99,977**
Financing cost on projected benefit obligation cost	989,746	475,600	**1,104,092**	**527,196**
Actuarial loss (gain)	1,882,297	913,352	**1,637,459**	**677,230**
Other amended plans		54,149	**(122,671)**	**130,009**
Payments from trust fund		(201,866)		**(899,653)**
Expected partial reimbursements		11,356		
Benefits paid	(1,401,372)	(404,263)	**(1,714,500)**	**(472,949)**
Effect of translation	(968,650)	(474,382)	**2,480,146**	**1,226,100**
Projected benefit obligation at end of year	Ps. 18,764,099	Ps. 9,276,354	**Ps. 22,406,396**	**Ps. 10,564,264**
Projected benefit obligation total (PBO)		Ps. 28,040,453		**Ps. 32,970,660**
Accumulated benefit obligation (ABO)		Ps. 18,619,926		**Ps. 24,210,778**
Changes in plan assets:				
Established fund at beginning of year	Ps. 13,798,568	Ps.	**Ps. 12,786,011**	**$**
Actual return on plan assets	954,922		**1,039,071**	
Employee contributions	641,419	338,758	**1,205,972**	**472,949**
Payments from trust fund		54,149		
Benefits paid	(1,392,265)	(392,907)	**(1,704,248)**	**(472,949)**
Actuarial loss (gain)	(475,281)		**(733,138)**	
Effect of translation	(741,352)		**1,689,993**	
Established fund at end of year	Ps. 12,786,011	Ps.	**Ps. 14,283,661**	
Plan asset shortfall	Ps. (5,978,088)	Ps. (9,276,354)	**Ps.(8,122,735)**	**Ps. (10,564,264)**
Unrecognized actuarial loss, net	5,016,009	988,627	**7,544,116**	**1,731,239**
Past services and changes in plans	(576,378)	(435,324)	**(590,412)**	**(1,212,924)**
Total liabilities, net	Ps. (1,538,457)	Ps. (8,723,051)	**Ps.(1,169,031)**	**Ps. (10,045,949)**

Net period cost

An analysis of the net period cost for the years ended December 31, 2009, 2010 and 2011 is as follows:

	2009		2010		2011	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Service cost	Ps. 272,015	Ps. 79,899	Ps. 232,830	Ps. 72,746	**Ps. 257,771**	**Ps. 99,977**
Financing cost on projected benefit obligation	1,101,801	515,593	989,746	475,600	**1,104,092**	**527,196**
Actual return on plan assets	(1,163,528)		(954,922)		**(1,039,071)**	
Effect of adjustments	(113,682)		50,365			
Net actuarial loss	8,925	3,119	99,475	11,504	**332,445**	**65,290**
Past services and changes in plans	(43,507)	(12,157)	(54,893)	(61,607)	**(62,148)**	**(179,591)**
	Ps . 62,024	Ps. 586,454	Ps . 312,236	Ps . 498,243	**Ps. 643,454**	**Ps. 512,872**

The average rates used in determining the net period cost for 2010 and 2011 were as follows:

	2010	2011
Discount rate	5.90%	**5.30%**
Long-term rate of return	7.50%	**7.25%**
Rate of future salary increases	4.00%	**4.00%**

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

	2010	2011
Percentage of increase in health care costs for the coming year	6.7%	**6.5%**
Cost percentage due to death	4.50%	**4.50%**
Year to which this level will be maintained	2021	**2021**

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

	2010	2011
Percentage of increase in health care costs for the following year	6.9%	**6.7%**
Cost percentage due to death	4.50%	**4.50%**
Year to which this level will be maintained	2021	**2021**

The projected return on plan assets is as follows:

	2010	2011
Equity instruments	4.3%	**11.8%**
Debt instruments	6.9%	**9.6%**
Cash and cash equivalents	1.0%	**0.1%**

Plan assets

The percentages invested in plan assets are as follows:

	Post-retirement benefits	
	2010	2011
Equity instruments	1.54%	**14.96%**
Debt instruments	48.06%	**48.56%**
Cash and cash equivalents	50.4%	**36.48%**
	100%	**100%**

c) Brazil (Embratel)

Embratel has a defined benefit pension plan (DBP) and a defined contribution plan (DCP) that covers virtually all of its employees, as well as a medical assistance plan (MAP) granted to participants in the DBP. The liabilities (assets) recognized at December 31, 2010 and 2011 under such plans are as follows:

	At December 31, 2010		At December 31, 2011	
DBP and MAP	Ps.	2,100,878	**Ps.**	**1,552,335**
DCP		382,585		**361,209**
Total liabilities, net	Ps.	2,483,463	**Ps.**	**1,913,544**

Pension plan

An analysis of obligations under the DBP, DCP and MAP at December 31, 2010 and 2011, as well as the changes in such plans during the years ended December 31, 2010 and 2011, is as follows:

	At December 31, 2010		At December 31, 2011	
Projected benefit obligation at beginning of year	Ps.	12,559,734	**Ps.**	**14,796,418**
Service cost		333		**82**
Financing cost on projected benefit obligation		1,344,463		**1,540,995**
Actuarial loss (gain)		2,090,176		**(290,429)**
Payments from trust fund		(1,058,467)		**(1,132,232)**
Effect of translation		(139,821)		**83,850**
Projected benefit obligation at end of year	Ps.	14,796,418	**Ps.**	**14,998,684**
Changes in plan assets:				
Established fund at beginning of year	Ps.	12,309,992	**Ps.**	**15,606,426**
Actual return on plan assets		1,316,704		**1,714,096**
Actuarial loss (gain)		3,008,667		**379,243**
Employee contributions		166,571		**171,378**
Payments from trust fund		(1,058,467)		**(1,132,232)**
Effect of translation		(137,040)		**88,442**
Established fund at end of year	Ps.	15,606,427	**Ps.**	**16,827,353**
Plan asset surplus	Ps.	810,009	**Ps.**	**1,828,669**
Unrecognized actuarial loss, net		(2,910,887)		**(3,381,004)**
Total liabilities, net	Ps.	(2,100,878)	**Ps.**	**(1,552,335)**

Net period cost

An analysis of the net period cost for the years ended December 31, 2009, 2010 and 2011 is as follows:

	At December 31, 2009		2010		2011	
Service cost	Ps.	193	Ps.	331	**Ps .**	**82**
Financing cost on projected benefit obligation		1,338,914		1,344,463		**1,540,995**
Projected return on plan assets		(1,247,229)		(1,316,704)		**(1,714,096)**
Amortization of actuarial (gains) losses		(40,653)		(97,320)		**(216,061)**
	PS.	51,225	Ps.	(69,230)	**Ps.**	**(389,080)**

Actuarial assumptions

The average rates used in determining the net period cost for 2010 and 2011 were as follows:

	2010	2011
Long-term rate of return	11.25%	**11.42%**
Rate of future salary increases	4.50%	**4.50%**
Discount rate	10.75%	**11.09%**

Plan assets

The percentages invested in plan assets are as follows:

	At December 31, 2010	2011
Debt instruments	88.06 %	**91.26 %**
Equity instruments	7.88 %	**6.27%**
Other investments	4.06 %	**2.47 %**
	100.00 %	**100.00 %**

DCP

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

The unfunded liability represents Embratel's obligation for those participants that migrated from the DBP to the DCP. This liability is being amortized over a term of 20 years as of January 1, 1999. Unpaid balances are adjusted monthly based on the yield of the asset portfolio at that date and is increased based on the General Price Index of Brazil plus 6 percentage points per year. At December 31, 2011, the balance of the DCP liability was Ps.361,209 (Ps.382,585, at December 31, 2010).

d) Mexico (Teléfonos de México)

Pensions and seniority premiums

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

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

Analysis of changes in the defined benefit obligation

		At December 31, 2010		2011
Defined benefit obligation at beginning of year	Ps.	197,332,833	**Ps.**	**216,927,167**
Service cost		4,850,844		**5,036,684**
Financing cost on projected benefit obligation		17,751,583		**19,418,689**
Actuarial loss		7,608,718		**5,025,389**
Payments to employees	(	6,438,985)	**(**	**11,472,579)**
Payments from trust fund	(	4,177,826)	**(**	**710,120)**
Defined benefit obligation at end of year	Ps.	216,927,167	**Ps.**	**234,225,230**

Analysis of changes in plan assets

		At December 31, 2010		2011
Established fund at beginning of year	Ps.	163,995,375	**Ps.**	**180,580,128**
Projected return on plan assets		19,680,678		**21,665,379**
Actuarial gain (loss)		1,081,612	**(**	**16,988,768)**
Contributions to trust fund		289		**–**
Payments from trust fund	(	4,177,826)	**(**	**710,120)**
Established fund at end of year	Ps.	180,580,128	**Ps.**	**184,546,619**

Analysis of the pension asset

		At December 31,	
	2009	2010	2011
Plan assets shortfall for the defined benefit obligation	Ps. (33,337,458)	Ps. (36,347,039)	**Ps. (49,678,611)**
Unamortized actuarial loss	48,462,508	52,571,969	**71,964,612**
Past services and changes in plan	89,142	65,437	**41,732**
Pension asset	Ps. 15,214,192	Ps. 16,290,367	**Ps. 22,327,733**

Analysis of net period cost for the years ended December 31, 2009, 2010 and 2011 is as follows:

	2009	2010	2011
Service cost	Ps. 4,431,755	Ps. 4,850,844	**Ps. 5,036,684**
Financing cost on projected benefit obligation	15,861,542	17,751,583	**19,418,689**
Projected return on plan assets	(17,568,093)	(19,680,678)	**(21,665,379)**
Amortization of past services and transition liability	23,705	23,705	**23,705**
Amortization of variances in assumptions	2,251,716	2,418,254	**2,621,515**
Net period cost	Ps. 5,000,625	Ps. 5,363,708	**Ps. 5,435,214**

The rates used in the actuarial studies at both December 31, 2010 and 2011 were as follows:

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

Plan assets

The percentages invested in plan assets at December 31, 2010 and 2011 are as follows:

	2010	2011
Equity instruments	53.6	**50.4**
Debt instruments	46.4	**49.6**
	100.0	**100.0**

As of December 31, 2011, the fair value of Telmex's securities held by the plan assets was Ps.1,482,834 (Ps.3,368,416 at December 31, 2010). Also, the plan assets of Telmex include 44.4% and 44.7% of securities of the Company and other related parties at December 31, 2011 and 2010, respectively. The purchases and sales of these securities made by the plan were at market value.

	Post-retirement mortality for pensioners more than 65 years old	
	2010	2011
Pension plan:		
Men	1.94 %	**1.94%**
Women	1.94%	**1.94%**

In 2011, the net actuarial loss of Ps. 22,014,157 is comprised of (i) an actuarial loss of Ps. 16,988,768 resulting from the behavior in the plan assets due to increases in the value of equity instruments, and in fixed-yield instruments due to variances in the reference rates, and (ii) an actuarial loss of Ps. 5,025,389, due primarily to the fact that the number of employees who retired exceeded the number of estimated retirements at the beginning of the year, and that the increases in salaries and pensions for retired personnel exceeded the increases estimated at the beginning of the year.

In 2010, the net actuarial loss of Ps.6,527,106 is comprised of (i) an actuarial gain of Ps.1,081,612 resulting from the behavior in the plan assets due to increases in the value of equity instruments, and in fixed-yield instruments due to variances in the reference rates, and (ii) an actuarial loss of Ps.7,608,718, due primarily to the fact that the number of employees who retired exceeded the number of estimated retirements at the beginning of the year, and that the increases in salaries and pensions for retired personnel exceeded the increases estimated at the beginning of the year.

In 2009, the net actuarial loss of Ps. 5,872,557 is comprised of (i) an actuarial gain of Ps. 4,328,439 resulting from the behavior in the plan assets due to increases in the value of the equity instruments, and in fixed-yield instruments due to variances in the reference rates, and (ii) an actuarial loss of Ps. 10,200,996, due primarily to the fact that the number of employees who retired exceeded the number of estimated retirements at the beginning of the year, and that the increases in salaries and pensions for retired personnel exceeded the increases estimated at the beginning of the year.

e) In the case of Mexico (Telcel) and Ecuador, the net period cost of other benefits for the years ended December 31, 2009, 2010 and 2011 was Ps.50,551, Ps.46,447 and Ps.57,965, respectively, for Mexico, and Ps.13,077, Ps.8,706 and Ps.12,095, respectively, for Ecuador.

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

13. Accounts Payable and Accrued Liabilities

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

	At December 31, 2010		2011	
Suppliers	Ps.	79,306,314	**Ps.**	**92,484,803**
Sundry creditors		25,752,651		**37,982,974**
Interest payable		4,928,705		**6,242,819**
Accrued expenses and other provisions		31,534,351		**37,156,996**
Guarantee deposits		1,311,837		**1,753,530**
Dividends payable		2,761,069		**3,119,333**
Total	Ps.	145,594,927	**Ps.**	**178,740,455**

b) An analysis of accrued expenses and other provisions at December 31, 2010 and 2011 is as follows:

	Balance at December 31, 2009	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2010
Direct employee benefits payable	Ps . 5,692,129	Ps. (137,127)	Ps. 10,398,406	Ps. (7,146,085)	Ps. (55,170)	Ps. 8,752,153
Asset retirement obligations	3,481,706	(41,959)	1,583,676	(245,637)	(96,377)	4,681,409
Contingencies	13,388,439	(206,161)	5,912,733	(700,718)	(293,504)	18,100,789
	Ps. 22,562,274	Ps. (385,247)	Ps. 17,894,815	Ps. (8,092,440)	Ps. (445,051)	Ps. 31,534,351

	Balance at December 31, 2010	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2011
Direct employee benefits payable	Ps . 8,752,153	**Ps. 75,425**	**Ps. 10,195,237**	**Ps. (10,764,332)**	**Ps. (64,395)**	**Ps. 8,194,088**
Asset retirement obligations	4,681,409	**79,891**	**1,661,841**	**(29,960)**	**(5,952)**	**6,387,229**
Contingencies	18,100,789	**266,616**	**5,034,512**	**(819,307)**	**(6,931)**	**22,575,679**
	Ps. 31,534,351	**Ps. 421,932**	**Ps. 16,891,590**	**Ps. (11,613,599)**	**Ps. (77,278)**	**Ps. 37,156,996**

14. Other Financial Assets and Liabilities

Fair value hierarchy

At December 31, 2010 and 2011, América Móvil had the following financial instruments measured at fair value shown in the statement of financial position.

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

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

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

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

	Measurement of fair value at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivatives		Ps. 5,004,483		Ps. 5,004,483
Pension plan assets	Ps 208,972,566			208,972,566
Total	Ps. 208,972,566	Ps. 5,004,483		Ps. 213,977,049
Liabilities:				
Debt	Ps. 236,888,485	Ps. 90,050,880		Ps. 326,939,365
Derivatives		453,932		453,932
Total	Ps. 236,888,485	Ps. 90,504,812		Ps. 327,393,297

	Measurement of fair value at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivatives		**Ps. 7,777,953**		**Ps. 7,777,953**
Pension plan assets	**Ps. 215,657,633**			**215,657,633**
Total	**Ps. 215,657,633**	**Ps. 7,777,953**		**Ps. 223,435,586**
Liabilities:				
Debt	**Ps. 390,859,513**	**Ps. 22,879,282**		**Ps. 413,738,795**
Derivatives		**873,398**		**873,398**
Total	**Ps. 390,859,513**	**Ps. 23,752,680**		**Ps. 414,612,193**

For the years ended December 31, 2010 and 2011, no transfers were made between Level 1 and Level 2 fair value measurement techniques.

15. Deferred Revenues

An analysis of deferred revenues at December 31, 2009, 2010 and 2011 is as follows:

	At December 31,		
	2009	2010	2011
At January 1	Ps. 21,648,610	Ps. 28,937,442	**Ps. 29,054,414**
Increase during the year	239,673,027	242,834,356	**305,334,487**
Recognized as revenues	(232,751,486)	(242,258,878)	**(306,309,173)**
Effect of translation	367,291	(458,506)	**1,344,747**
	Ps. 28,937,442	29,054,414	**Ps. 29,424,475**
Short-term	Ps. 23,475,052	Ps. 25,064,230	**Ps. 26,248,679**
Long-term	5,462,390	3,990,184	**3,175,796**
	Ps. 28,937,442	Ps. 29,054,414	**Ps. 29,424,475**

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

16. Debt

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

		At December 31, 2011			
Currency	Loan	Rate	Maturity from 2012 to		Total
U.S. dollars					
	ECA credits (fixed rate)	2.52%	2017	Ps.	1,636,312
	ECA credits (floating rate)	L + 0.3%, L + 0.35%, L + 0.50% y L + 0.75%	2018		6,780,181
	Fixed-rate notes	2.375% - 6.375%	2040		167,854,707
	Lines of credit	L + 0.25% L + 0.35% L + 0.325%	2014		14,015,863
	Subtotal U.S. dollars				190,287,063
Euros					
	ECA credits (fixed rate)	2.00%	2022		177,004
	Fixed-rate notes	3.75%,4.125% y 4.75%	2022		49,865,633
	Subtotal Euros				50,042,637
Mexican pesos					
	Lines of credit	TIIE + 0.60%	2012		55,000
	Fixed-rate notes	4.10%-10.20%	2037		41,680,565
	Floating-rate notes	Cetes + 0.55% & TIIE + -0.10%-1.50%	2016		32,600,000
	Subtotal Mexican pesos				74,335,565
Reais					
	Lines of credit	4.50%, 8.78% y 9.20%, IPCA + 0.5% & LTIR+4.5%	2021		2,707,482
	Subtotal Brazilian reais				2,707,482
Colombian pesos	Bonds	CPI + 6.8% & 7.59%	2016		4,464,945
	Subtotal Colombian pesos				4,464,945
Other currencies	Bonds	1.23% - 6.41%	2039		43,066,551
	Leases	2.75% - 8.97%	2027		527,535
	Lines of credit	L + 0.33%, BAR +0.40% y 0.425%, Tasa Badlar & 10.00% - 19.45%	2014		15,187,024
	Subtotal other currencies				58,781,110
	Total debt				380,618,802
	Less: Short-term debt and current portion of long-term debt				26,643,315
	Long-term debt			Ps.	353,975,487

Currency	Loan	Rate	At December 31, 2010 Maturity from 2012 to		Total
U.S. dollars					
	ECA credits (fixed rate)	2.52%	2017	Ps.	1,708,061
	ECA credits (floating rate)	L +0.35%, L+0.39%, L + 0.75% & L + 1.50%	2019		17,832,081
	Fixed-rate notes	3.625% - 6.375%	2040		114,308,303
	Lines of credit	L + 0.25%-4.23% & 4.50%	2014		13,515,748
	Leases	7.00%-7.50% & RLR + 1.06	2012		51,235
	Subtotal U.S. dollars				147,415,428
Euros					
	ECA credits (fixed rate)	2.00%	2022		185,912
	Fixed-rate notes	3.75% and 4.75%	2022		28,942,800
	Subtotal Euros				29,128,712
Mexican pesos					
	Lines of credit	TIIE + 0.60%	2011		46,000
	Fixed-rate notes	4.10%-10.20%	2037		41,474,529
	Floating-rate notes	Cetes+0.55% & TIIE + -0.10%-1.50%	2016		37,100,000
	Subtotal Mexican pesos				78,620,529
Reais					
	Lines of credit	4.50%, 8.78% and 9.20% & LTIR+4.5%	2020		2,960,139
	Subtotal Brazilian reais				2,960,139
Colombian pesos	Bonds	CPI + 6.8% & 7.59%	2016		4,002,864
	Subtotal Colombian pesos				4,002,864
Other currencies	Bonds	1.49% - 6.41%	2039		23,207,510
	Leases	2.75% - 8.97%	2027		913,536
	Lines of credit	L + 0.33%, BAR +0.40% & 0.425%, Badlar rate & 4.76%-19.45%	2014		16,851,438
	Subtotal other currencies				40,972,484
	Total debt				303,100,156
	Less: Short-term debt and current portion of long-term debt				9,039,204
	Long-term debt			Ps.	294,060,952

Legend:

L = LIBOR or London Interbank Offered Rate

TIIE = Mexican weighted Interbank Interest Rate

CPI = Consumer price index

RLR = Reference Liability Rate

LTIR = Long-term Interest Rate

Cetes = Mexican Treasury Certificates

BAR =Bankers and Financial Institutions Association Rate

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

ECA = Export Credit Agreement

IPCA =consumer price index produced by Instituto Brasileiro de Geografia e Estatistica (IBGE)

Except for the fixed-rate senior notes, interest rates on the Company's debt are subject to variances in international and local rates. The Company's weighted-average cost of borrowed funds at December 31, 2011 and 2010 was approximately 5.0% and 5.2%, respectively.

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

An analysis of the Company's short-term debt at December 31, 2010 and 2011 is as follows:

		2010		2011
Senior notes			**Ps.**	**648,424**
Domestic senior notes	Ps.	4,500,000		**10,300,000**
Lines of credit used		600,416		**9,568,760**
Other		234,182		**200,710**
Total	Ps.	5,334,598	**Ps.**	**20,717,894**
Weighted-average interest rate		5.3%		**5.1%**

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

Year		Amount
2013	Ps.	20,174,342
2014		35,187,810
2015		38,091,324
2016		44,859,326
2017		32,960,588
2018 and thereafter		182,702,097
Total	Ps.	353,975,487

Senior Notes - At December 31, 2011 and 2010, the Company has senior notes issued in U.S. dollars of US$ 11,998 million and US$ 9,250 million, respectively (Ps. 167,855 and Ps.114,308 million, respectively) maturing from 2014 to 2040. As of December 31, 2011 and 2010 the Company also had senior notes issued in Mexican pesos of Ps.74,281 million and Ps. 78,575, respectively, maturing in 2012 and 2037. In 2010, América Móvil issued eleven new senior notes as follows: Ps.4,600 million and Ps.7,000 million (in Mexican pesos); 743 million investment units (UDIs) (equivalent to Ps.3,301 Mexican pesos); US$ 750 million, US$ 2,000 million and US$ 1,250 million; 5 million UFs (Unidades de Fomento) (equivalent to 105,460 Chilean pesos); 230 million Swiss francs; 750 million and 1,000 million Euros; and 650 million pounds sterling.

In 2011 América Móvil issued seven new senior notes as follows: US$ 750 million and US$ 2,000 million; 270 million Swiss francs, ¥6,900 and ¥5,100 million of yen. 1,000 million Euros and 500 million pounds sterling.

Lines of credit granted or guaranteed by export credit agencies - The Company has medium- and long-term financing programs for the purchase of equipment, whereby certain institutions, to promote exports, provide financial support to purchase equipment for export from their respective countries. The outstanding balance under these plans at December 31, 2011 and 2010 is approximately Ps. 8,593 million and Ps.19,726 million, respectively.

Domestic notes
At December 31, 2010, debt under domestic notes aggregates to Ps.61,203 million. In general, these issuances bear a fixed or floating interest rate established as a percentage of the Mexican weighted interbank interest rate (TIIE). At December 31, 2011, debt under domestic notes aggregates to Ps. 56,909 million. In general, these issuances bear a fixed or floating interest rate established as a percentage of the Mexican weighted interbank interest rate (TIIE), Cetes and IDC.

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

Early payment of debt
In 2011 and 2010, the Company made payments and advance payments against its debt with third parties of approximately Ps. 23 billion in both years.

General
In conformity with the credit agreements, the Company is obligated to comply with certain financial and operating commitments. Such covenants limit in certain cases, the ability of the Company or the guarantor to: pledge assets, carry out certain types of mergers, sell all or substantially all of its assets, and sell control over Telcel.

Such covenants do not restrict the ability of AMX's subsidiaries to pay dividends or other payment distributions to AMX. The more restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA (earnings before interest, tax, depreciation and amortization) that do not exceed 4 to 1, and a consolidated ratio of EBITDA to interest paid that is not below 2.5 to 1 (in accordance with the clauses included in the credit agreements). In certain instruments Telcel is subject to similar ratios and covenants as AMX. Also, Telmex Internacional is subject to financial covenants of maintaining a ratio of debt to EBITDA that do not exceed 3.5 a 1, and a consolidated ratio of EBITDA to interest paid that is not below 3 to 1 (in accordance with the clauses included in the credit agreements).

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

Restrictions (TELMEX):
A portion of the debt is subject to certain restrictions with respect to maintaining certain financial ratios, as well as restrictions on selling a significant portion of groups of assets, among others. At December 31, 2011, the Company was in compliance with all these requirements.

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

At December 31, 2011 and 2010, the Company complied with all the conditions established in our debt agreements.

At December 31, 2011, approximately 70% of América Móvil's total outstanding consolidated debt is guaranteed by Telcel.

Subsequent events
On February 1, 2012, AMX issued 3.5% Senior Notes due 2015 for an aggregate principal amount of CNY (Chinese Yuan) 1,000 million (Ps. 2,066 million or US$ 160 million, approximately).

17. Commitments and Contingencies

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

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

At December 31, 2011, the Company has the following non-cancelable commitments under finance and operating leases:

Year ended December 31		Finance leases		Operating leases
2012	Ps.	309,106	Ps.	4,851,585
2013		105,359		3,855,366
2014		31,589		3,067,855
2015		31,589		2,521,949
2016		31,589		1,872,572
2017 and thereafter		124,426		3,807,011
Total		633,658	Ps.	19,976,338
Less: interest		(106,123)		
Present value of net minimum lease payments		527,535		
Less current portion		285,513		
Long-term obligations	Ps.	242,022		

Rent expense for the years ended December 31, 2009, 2010 and 2011 was Ps.10,788,990, Ps.8,318,926 and Ps.11,658,034, respectively.

b) Commitments

At December 31, 2011, there were commitments in certain subsidiaries for the acquisition of equipment for incorporation into their GSM and 3G networks for an amount up to approximately US$ 2,924 million (approximately Ps. 36,320 million). The estimated completion period for these projects in progress ranges from 3 to 6 months, depending on the type of project and the equipment supplier, as well as the type of asset.

c) Contingencies

América Móvil

Cempresa

In 2008, Centro Empresarial Cempresa S.A. and Conecel Holding Limited (collectively, the "Plaintiffs"), filed suit in the Supreme Court of the State of New York against several defendants, including the Company, alleging, among other things, breach of contract, fraud, fraudulent inducement and unjust enrichment in connection with the sale of their shares of Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel"), one of the Company's subsidiaries. Plaintiffs contended in the lawsuit that the defendants wrongfully deprived them of a right to receive shares of the Company in exchange for their shares in Conecel and sought approximately Ps. 12,591 million (approximately U.S.$ 900 million), the alleged value of the

Company's shares they claimed they should have received. In June 2011, the highest court in New York – the Court of Appeals of New York – unanimously affirmed a judgment granting a motion to dismiss the complaint, and the case was then settled.

Telcel

COFECO—Monopolistic practices investigations

Telcel is the target of three COFECO probes into alleged monopolistic practices. The first two concern alleged actions by certain distributors of Telcel in relation to the purchase and sale of cellular phones from and to third parties. In these two probes, COFECO determined that Telcel engaged in anti-competitive behavior, and the agency imposed fines totaling Ps. 6.7 million and ordered that Telcel's cease the alleged monopolistic practices immediately. Telcel has challenged COFECO's findings and fines in the courts, but no final ruling in this regard has been issued. AMX has not established a provision in the accompanying financial statements for loss arising from these contingencies.

The third probe concerns alleged monopolistic practices in the mobile termination (interconnection) market. On April 15, 2011, COFECO notified Telcel of a ruling whereby it levied a fine of Ps. 11,989 million for alleged monopolistic practices that also allegedly constituted a repeat offense. COFECO alleges that the rates Telcel offers its own callers (on-net calls) are lower than the mobile termination rate Telcel charges other carriers, which prevents said carriers from being able to provide similar pricing to their customers. Telcel, which disputes the conclusion that its pricing practices were monopolistic and the determination that there was a repeat offense, submitted a petition for reconsideration (recurso de reconsideración) to COFECO seeking review of COFECO's ruling. Under Mexican law, the submission of this petition automatically suspends the effectiveness of the April 2011 resolution. Telcel also petitioned Cofeco to recuse its chairman from further participation in the matter in order to ensure an unbiased forum in view of the chairman's public statements, and such petition for recusal was granted. Accordingly, AMX expects that Telcel's petition for reconsideration will be decided by the remaining COFECO commissioners in April 2012. If COFECO resolves to uphold its determination regarding the fine or any part of it, Telcel plans to seek an injunction (amparo) from a Mexican court against COFECO's resolution and during the pendency of such a judicial petition the application of the resolution can be suspended upon Telcel providing the court with assurances of its ability to pay the fine in the event of an unfavorable outcome. Under Mexican law, COFECO does not have power to settle this matter with Telcel, so if it maintains the fine or any part of it upon reconsideration, the matter will be resolved by the courts and not by negotiation between Telcel and COFECO. In addition, while there can be no assurance, AMX believes that payment of a fine arising from the COFECO's resolution is not probable. Consequently, AMX has not established a provision in the accompanying financial statements for loss arising from this contingency. It is, however, possible that AMX will be unsuccessful in its legal challenges to the fine, in which event its financial position would be negatively affected.

Mobile termination rates

Under the Calling Party Pays system, when a customer of one operator (mobile or fixed) places a local or long-distance call to a customer of another operator, the first operator pays the second a fee, which is referred to as a mobile termination rate.

Under Mexican law, mobile termination rates are negotiated between operators. However, since 2005 there has been extensive controversy in Mexico concerning mobile termination rates, and Telcel has not always been able to reach an agreement on the annual mobile termination rates with certain operators. These operators have asked COFETEL or the Mexican Ministry of Communications and Transportation ("SCT"), to set the applicable mobile termination rates. COFETEL and the SCT have issued resolutions setting lower mobile termination rates for these operators than those Telcel had agreed on with other operators. In addition, COFETEL and the SCT have issued resolutions regarding the calculation of total use of the network by these operators that are different from those Telcel had agreed on with other operators. AMX has challenged these resolutions in court, and its challenges are in different stages. Prior to 2011, its challenges to these resolutions suspended the application of the mobile termination rates set by the resolutions. However, a 2011 decision of the Mexican Supreme Court of Justice eliminated these suspensions. Accordingly, all operators elect to pay Telcel the lower interconnection rates set by the resolutions, regardless of whether they have reached an agreement to pay the Company higher rates, as AMX is required by law to offer such operators the lowest rates charged to other operators.

The Company expects that mobile termination rates will continue to be the subject of litigation and administrative proceedings. The Company cannot predict when or how these matters will be resolved. The competitive and financial effects of any resolution could be complex and difficult to predict, although they could materially reduce Telcel's mobile termination revenues in future periods. Also, depending on how the disputes are resolved, there could be contractual claims among Telcel and the operators it reached an agreement with for reimbursement or payment, as the case may be, of amounts paid or owed between Telcel and such operators for certain periods from 2005 to 2010. AMX has established provisions in the accompanying financial statements for the losses AMX considers probable and estimable.

Short Message Services (SMS)
The Mexican Tax Administration Service ("SAT"), notified Telcel of tax assessments totaling Ps. 105.4 million alleging nonpayment of royalties for revenues generated by short message services during 2004. SAT is alleging that Telcel owes such amounts because short message services constitute concessioned services. AMX has challenged the assessments on the grounds that short message services are value-added services that are not concessioned services. In other proceedings, COFETEL has ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services and are therefore concessioned services. Telcel is also currently disputing these rulings in an administrative proceeding. AMX has established a provision in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Trademarks Tax Assessments
In March 2006, the SAT notified Telcel of an assessment of Ps. 281.7 million (Ps. 155.8 million plus adjustments, fines and late fees), related to Telcel's deduction in 2003 of certain trademark royalty payments. The SAT took the position that the payments constituted an investment by Telcel and therefore the deduction should have been taken over the course of several years and not in a single year.

In June 2007, the SAT notified the Company of an assessment of Ps. 541.5 million (Ps. 258.5 million plus adjustments, fines and late fees), related to the same payments described in the March 2006 assessment aforementioned. Under the tax consolidation regime applicable in Mexico at the time, Telcel was permitted to take up to 40% of the deduction, while the parent company was permitted to take the remaining 60%. This June 2007 assessment relates to the Company's portion of the deduction. AMX challenged each of the two assessments relating to 2003 in federal tax courts. The two challenges were combined because of the similarities in facts and legal issues presented. The tax court upheld the assessments. AMX then challenged the assessments in the courts of general jurisdiction, and its challenge is still pending.

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

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

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

Carso Global Telecom
In November 2010, the SAT notified Carso Global Telecom, S.A. de C.V. ("CGT"), of an assessment of Ps. 3,392 million related to the change in the scope of fiscal consolidation in 2005. The SAT alleges that this change generated a reduction in the participation of CGT in its subsidiaries, resulting in increased income taxes. CGT has challenged this assessment in federal tax courts, and this challenge is still pending. AMX has not established a provision in the accompanying financial statements for possible loss arising from this contingency.

Sercotel
In August 2011, the SAT notified Sercotel, S.A. de C.V. ("Sercotel"), of an assessment of Ps. 6,308 million related to withholding taxes, interest payments and to taxes related to certain income that the SAT contends should have been accumulated at Sercotel in 2005. Sercotel paid Ps. 118 million related to withholding taxes and interest payments and challenged the portion of the assessment related to the accumulation in federal tax courts. The challenge is still pending.

In March 2012, the SAT notified Sercotel and the Company of a fine of approximately Ps. 1,400 million because of the SAT's objection to the allegedly improper tax implications of the transfer of certain accounts receivable from one of the Company's subsidiaries to Sercotel. AMX expects to challenge the fine in federal tax courts in the coming months. The Company also expects the SAT will issue tax assessments of Ps. 2,750 million relating to the same matter.

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

Telmex
COFECO—Monopolistic practices investigations

Since 2007, COFECO has initiated four investigations to evaluate if Teléfonos de México, S.A.B. de C.V. ("Telmex"), and Teléfonos del Noreste, S.A. de C.V. ("Telnor"), engage in monopolistic practices in certain markets.

COFECO has determined that Telmex and Telnor engaged in monopolistic practices in the fixed-network interconnection services market. Telmex and Telnor have filed relief (amparo) proceedings against this ruling and their cases are pending resolution.

In addition, COFECO terminated two investigations into Telmex and Telnor's practices in the broadband internet for domestic residential customers and the interurban transport for switched long-distance traffic services markets after determining that there was no evidence that either Telmex or Telnor engaged in monopolistic practices.

Finally, there is an ongoing COFECO investigation with respect to the local and national long-distance dedicated links wholesale leasing services market. COFECO has yet to issue any final findings, but it has issued a notice of probable fault (Oficio de Probable Responsabilidad), to which Telmex has objected.

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

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

Claro Brasil and Americel

Anatel Inflation-Related Adjustments

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

Under the agreements with Anatel, 40% of the concession price was due upon execution and 60% was due in three equal annual installments (subject to inflation-related adjustments and interest), beginning in 1999. The companies made all payments, but Anatel challenged the companies' calculation of the inflation-related adjustments related to the payment corresponding to 60% of the concession price, alleging that such calculation resulted in a shortfall of Ps. 4,071 million (approximately R$ 545 million), and requesting payment thereof. This amount was calculated using certain assumptions, including with respect to the method used to calculate monetary correction. In the event that different assumptions are used, the amount of damages could increase.

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

In December 2008, Anatel charged Tess approximately Ps. 1,996 million (approximately R$ 267 million). Tess obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved. Similarly, in March 2009, Anatel charged ATL approximately Ps. 1,248 million (approximately R$ 167 million). ATL also obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved.

AMX has established a provision of Ps. 4,071 million (approximately R$ 545 million), in the accompanying financial statements for loss arising from these contingencies, which AMX considers probable.

BNDESPar

Prior to the acquisition of a controlling interest in Telet, S.A. ("Telet"), and Americel, S.A. ("Americel") by its subsidiary Telecom Americas Limited ("Telecom Americas"), BNDESPar, a subsidiary of BNDES, the Brazilian development bank, had entered into investment and other shareholder agreements with some of the significant shareholders of Telet and Americel. Under these agreements, BNDESPar had tag-along rights to participate in the sale of shares of Telet and Americel in the event of certain transfers of control of those companies for as long as BNDESPar held 5% of the shares of those companies.

In October 2003, following the acquisition of a controlling interest in Telet and Americel by Telecom Americas, Telecom Americas increased the capital stock of both Telet and Americel, resulting in a decrease of BNDESPar's ownership in each of those companies from approximately 20% to below 5% because BNDESPar elected not to exercise its preemptive rights.

In November 2004, BNDESPar filed a lawsuit with the competent court in Rio de Janeiro claiming that it is entitled to tag-along rights permitting it to sell its shares in Telet and Americel to Telecom Americas for approximately Ps. 2,041 million (approximately R$ 273 million). Although AMX does not believe that BNDESPar has valid grounds for its claim, AMX cannot provide assurances that Telecom Americas will ultimately prevail in this dispute.

AMX has not established a provision in the accompanying financial statements for possible loss arising from this contingency.

Lune Patent Case

A Brazilian company claims that wireless operators in Brazil have infringed on its patent over certain caller ID technology. The plaintiff first brought a patent infringement case in a state court in Brasilia, Federal Capital of Brazil, against the Company's subsidiary Americel and later brought cases, as part of two separate proceedings, against 45 other defendants. That court found for the plaintiff.

Americel filed three special appeals against the decision of the state court in Brasília seeking review by the Superior Court of Justice (the highest court in Brazil on questions of federal law), and Supreme Court (the highest court in Brazil on questions of constitutional law). Those appeals and other proceedings challenging various aspects of the patent infringement claims were pending as of March 2012, when the matter was resolved.

Consumer Protection Lawsuit (DPDC)

In July 2009, the Brazilian Federal and State Prosecutor Office, along with the Consumer Protection and Defense Agency and other Brazilian consumer protection agencies, initiated a lawsuit against Claro Brasil alleging that it has violated certain regulations governing provision of telecommunications services. The amount claimed by the plaintiffs is Ps. 2,243 million (approximately R$ 300 million). Claro Brasil is contesting the lawsuit and a final ruling is still pending.

AMX has not established a provision in the accompanying financial statements to cover possible loss arising from this contingency.

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

In December 2005, the Brazilian Federal Revenue Service issued tax assessments against Americel in respect of withholding income taxes and PIS and COFINS taxes (which are levied on gross revenue) for 2000 through 2005. In addition, in March 2006, the Brazilian Federal Revenue Service issued tax assessments against ATL related to certain tax deductions taken by ATL in connection with its PIS and COFINS obligations. As discussed above, Claro Brasil is the corporate successor to ATL. In January 2011, the Brazilian Federal Revenue Service issued tax assessments against Claro Brasil regarding allegedly improper offsetting of certain tax deductions claimed by Claro Brasil in connection with its PIS and COFINS obligations. The total amount of these tax assessments, which Americel and Claro Brasil are contesting in pending challenges, was Ps. 10,701 million (approximately R$ 1,431 million), including fines and interest as of December 31, 2011. AMX has established a provision of Ps. 202 million (approximately R$ 27 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Separately, Claro Brasil and Americel have commenced lawsuits against the Brazilian Federal Revenue Service seeking a ruling on constitutional grounds that they may exclude state value added tax (ICMS) payments and interconnection fees from the base used to calculate PIS and COFINS tax obligations. Pending a ruling in the case, pursuant to Brazilian procedure the companies have placed the disputed amount in a judicial deposit, and accordingly there is no loss contingency. The total amount in dispute was approximately Ps. 7,822 million (approximately R$ 1,046 million) as of December 31, 2011.

ICMS Tax Credits

The Brazilian Federal Revenue Service has issued multiple tax assessments against Claro Brasil and Americel alleging that they improperly claimed certain tax credits under the state value added tax (ICMS) regime in each Brazilian state. AMX is contesting all these tax assessments in multiple separate proceedings, first at the administrative level and then in the judicial courts, and these proceedings are at various stages. AMX has received rulings in some of these cases, including some that are unfavorable to the Company and that AMX has

appealed. The total amount of the tax assessments is approximately Ps. 27,460 million (approximately R$ 3,672 million), including fines and interest as of December 31, 2011. AMX has established a provision of Ps. 2,370 million (approximately R$ 317 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Tax Credit for Income Tax Withheld Abroad

The Brazilian Federal Revenue Service issued tax assessments in the amount of Ps. 2,595 million (approximately R$347 million) against Claro Brasil alleging that it incorrectly offset tax withheld in other countries against some of its Brazilian tax obligations. During 2011, Claro Brasil terminated its challenge with respect to Ps. 1,848 million (approximately R$ 247 million), in tax assessments and paid those amounts to the Brazilian Federal Revenue Service, to preserve the right to offset the foreign tax withheld related to such tax assessments against its Brazilian tax obligations in future years. The total amount of the tax assessments that Claro Brasil is contesting as of December 31, 2011 is approximately Ps. 748 million (approximately R$ 100 million). AMX has not made a provision in the accompanying financial statements to cover possible loss arising from this contingency.

EBC Funding

Claro Brasil and Americel filed an injunction challenging a federal law to create a Brazilian Communication Company that is to be partially funded by mobile operators. If Claro and Americel are unsuccessful in such challenge, the total amount they would be required to contribute through December 31, 2011 is approximately Ps. 1,600 million (approximately R$ 214 million). AMX made a judicial deposit in this amount. AMX has established a provision of Ps. 1,600 million (approximately R$ 214 million), in the accompanying financial statements for loss arising from this contingency, which AMX considers probable.

FUST and FUNTTEL Funding

The Brazilian Federal Revenue Service has issued tax assessments against Claro Brasil and Americel totaling Ps. 5,623 million (approximately R$ 752 million) relating to alleged underpayment of their funding obligations for the Telecommunications System Universalization Fund (FUST) and the Telecom Development Fund (FUNTTEL) from 2006 to 2009. The assessments claim that interconnection and activation fee revenues should not have been excluded from the basis used to calculate funding obligations. Claro Brasil and Americel have challenged the tax assessments, and the challenges are still pending. AMX has established a provision of Ps. 336 million (approximately R$ 45 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Embratel

Implementation of the new national domestic telephone number system

As a result of alleged disruptions caused to telephones on the implementation date of a domestic dialing system in 1999, Embratel has contingencies in the total amount Ps. 1,189 million (approximately R$ 159 million), stemming from a fine by Anatel, a fine by the Consumer Protection and Defense Agency and class action lawsuits. AMX has established a provision of Ps. 202 million (approximately R$ 27 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Administrative proceedings (PADOs)

Anatel filed several administrative proceedings Procedimentos Administrativos de Descumprimento de Obrigação ("PADOs") against Embratel in the amount of Ps. 4,532 million (approximately R$ 606 million) because of alleged noncompliance with quality targets set by ANATEL. AMX is contesting the PADOs on various grounds. AMX has established a provision of Ps. 75 million (approximately R$ 10 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Brazilian value-added goods and services tax (ICMS)

Embratel, Primesys and Telmex do Brasil Ltda. received assessments in the amount of Ps. 4,711 million (approximately R$ 630 million), from the tax authorities related to nonpayment of ICMS and alleged ICMS tax credits incorrectly taken. AMX is contesting these tax assessments in multiple separate proceedings at the administrative level and in the judicial courts. These proceedings are in different stages, and AMX cannot predict the timing of a final outcome. AMX has established a provision of Ps. 112 million (approximately R$ 15 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Star One has received tax assessments in the amount of Ps. 14,837 million (approximately R$ 1,984 million), alleging that the provision of satellite capacity is subject to ICMS tax. AMX is contesting these tax assessments in multiple separate proceedings, and AMX has obtained two appealable favorable judicial decisions in two proceedings in lower courts, although a resolution is still pending for the majority of the proceedings. AMX has not established a provision in the accompanying financial statements to cover possible loss arising from this contingency.

Brazilian Social Welfare Tax on Service Exports (PIS)

Embrapar, Embratel and Telmex do Brasil Ltda. have tax contingencies of Ps. 1,398 million (approximately R$ 187 million), related to the contributions of PIS prior to 1995, which the tax authorities allege were incorrectly offset. AMX is contesting these tax assessments in proceedings that are in different stages. AMX has established a provision of Ps. 52 million (approximately R$ 7 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

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

Embrapar, Embratel and Telmex do Brasil Ltda. have tax contingencies of Ps. 1,869 million (approximately R$ 250 million), at December 31, 2011 related to the payment of COFINS in 1999. AMX is contesting these tax assessments in proceedings that are in different stages. AMX has established a provision of Ps. 590 million (approximately R$ 79 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

FUST and FUNTTEL Funding

The Brazilian Federal Revenue Service has issued tax assessments against Embratel, Star One, Primesys Soluções Empresariais S.A. and Telmex do Brasil Ltda. totaling Ps. 6,124 million (approximately R$ 819 million), relating to alleged underpayment of their funding obligations for the Telecommunications System Universalization Fund (FUST) and the Telecom Development Fund (FUNTTEL). The assessments claim that interconnection and others revenues should not have been excluded from the basis used to calculate funding obligations. The companies have challenged the tax assessments, and such challenges are pending. AMX has not established a provision in the accompanying financial statements to cover possible loss arising from these contingencies.

Brazilian Services Tax (ISS)

The Brazilian Federal Revenue Service has issued tax assessments against Embratel, Primesys Soluções Empresariais S.A., Brasil Center Ltda. and Telmex do Brasil Ltda. totaling Ps. 4,255 million (approximately R$ 569 million) alleging nonpayment of Brazilian services tax (ISS) in connection with the provision of certain services. The companies have challenged the tax assessments on the grounds that such services are not subject to ISS tax, and the challenges are pending. AMX has not established a provision in the accompanying financial statements to cover possible loss arising from these contingencies.

Other tax contingencies

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

- Embrapar, Embratel, Star One, Telmex do Brasil Ltda., Brasil Center Comunicações Ltda. and Primesys Soluções Empresariais S.A. have received assessments in the amount of Ps. 5,765 million (approximately R$ 771 million), mainly related to allegedly incorrect deductions for purposes of Income Tax and Social Contribution on Net Income (IRPJ/CSLL). AMX is challenging those assessments in administrative and judicial proceedings. AMX has established a provision of Ps. 15 million (approximately R$ 2 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.
- Embratel was fined Ps. 2,777 million (approximately R$ 370 million), by the Brazilian Federal Revenue Service for not making certain filings in the correct form from 2002 through 2005. AMX is contesting this fine on various grounds. AMX has not established a provision in the accompanying financial statements to cover possible loss arising from this contingency.
- Embratel, Star One, Telmex do Brasil Ltda and Primesys Soluções Empresariais S.A., have other on-going tax litigations in the amount of Ps. 3,806 million (approximately R$ 509 million), relating to the offsetting of IRPJ (Brazilian Income Tax), PIS (Brazilian Social Welfare Tax on Service Exports), COFINS (Brazilian Social Welfare Tax for Service Export Security Tax), CIDE (Brazilian Economic Intervention Contribution), CSLL (Brazilian Net Income Social Contribution) and IRRF (Brazilian Foreign Paid Income Tax) against allegedly improper IRPJ and ILL (Brazilian Net Income Tax) credits. AMX has not established a provision in the accompanying financial statements to cover possible loss arising from these contingencies.

Disputes with third parties

Embratel, Telmex do Brasil Ltda. and Brasil Center are parties to a number of cases on a range of matters, including, among other things, disputes with former sales agents and disputes with former employees regarding health care payments. The cases, which are in advanced stages of the litigation process, are for claims in the amount of Ps. 1,832 million (approximately

R$ 245 million). AMX has established a provision of Ps. 1,002 million (approximately R$ 134 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Other civil and labor contingencies

Embratel and its subsidiaries are also party to other claims in the amount of Ps. 3,103 million (approximately R$ 415 million), including claims filed by its telephone service customers and claims relating to environmental matters. AMX is contesting the cases, which are in various stages. AMX has established a provision of Ps. 523 million (approximately R$ 70 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

In April 2009, Star One was notified of an arbitration proceeding initiated against it by two international telecom operators seeking restitution damages for up to Ps. 1,021 million (approximately US$ 73 million), for alleged commercial losses arising from contracts executed in 2002 and 2004. Star One disputes the claimants' arguments. The court proceedings are in the discovery stage. AMX has not established a provision in the accompanying financial statements to cover possible loss arising from this contingency.

Embratel and its subsidiaries are party to labor claims in the amount of Ps. 4,180 million (approximately R$ 559 million), filed by its current and former employees, alleging compensation for pension and other social benefits, overtime work, outsourcing and equal pay. AMX has established a provision of Ps. 748 million (approximately R$ 100 million), in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Conecel

Tax Assessments

During 2008, the Ecuadorian Revenue Services ("SRI") notified Conecel of tax assessments in the amount of Ps. 1,930 million (approximately US$ 138 million) (not including interest and penalties) relating to special consumption (ICE), value-added, income and withholding taxes for the years 2003 to 2006. In March 2008, Conecel paid the SRI Ps. 196 million (approximately US$ 14 million), in respect of the aforesaid tax assessments (including with respect to fines) and filed challenges with the SRI with respect to Ps. 1,777 million (approximately US$ 127 million). In December 2008, the SRI notified Conecel of a resolution that denied the challenges filed by Conecel against the tax assessments. As a result of the foregoing, in January 2009, Conecel filed a lawsuit before a Tax Court in Guayaquil challenging the tax assessments while attaching a bank guarantee of Ps. 182 million (approximately US$ 13 million), which represented 10% of the contested amount. In May 2009, the SRI filed its answer to Conecel's 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 and were attended by accounting experts accepted by both the defendant and the plaintiff. These experts are responsible for issuing reports on the document exhibition hearings. The latest expert opinion was filed before the Tax Court in January 2010. The evidentiary phase has been concluded. The final hearing took place in June 2010. The Tax Court issued its final resolution in March 2012. The Tax Court's resolution was favorable with respect to Ps. 336 million (US$ 24 million) of the disputed amount. AMX has appealed the unfavorable portion of the resolution before the National Court of Justice (Corte Nacional de Justicia), and such appeal is still pending.

In addition, in 2011 and 2012 the SRI notified Conecel of tax assessments in the amount of Ps. 951 million (approximately US$ 68 million), relating to the same matter discussed above, but for the 2007 and 2008 fiscal years. Conecel filed lawsuits before a Tax Court in Guayaquil challenging the tax assessments and such lawsuits are still pending.

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

18. Related Parties

a) The following is an analysis of the balances with related parties at December 31, 2010 and 2011. All of the companies are considered as associates or affiliates of América Móvil since the Company or the Company's principal shareholders are also direct or indirect shareholders in the related parties.

		2010		2011
Accounts receivable:				
Sanborn Hermanos, S.A.	Ps.	84,457	**Ps.**	**241,448**
Sears Roebuck de México, S.A. de C.V.		25,296		**179,612**
Net Serviços de Comunicação, S.A. (NET)		2,475,664		**2,826,214**
Grupo Carso, S.A.B. de C.V.		316,815		**–**
AT&T Corp. (AT&T)		102,851		**55,443**
Patrimonial Inbursa, S.A.		–		**52,864**
Alestra, S. de R.L. de C.V.		490,773		**–**
Banco Inbursa, S.A.		1,315		**–**
Other		73,865		**58,318**
Total	Ps.	3,571,036	**Ps.**	**3,413,899**
Accounts payable:				
Fianzas Guardiana Inbursa, S.A. de C.V.	Ps.	94,800	**Ps.**	**120,273**
Seguros Inbursa, S.A. de C.V.		111,105		**12,595**
Net Serviços de Comunicação, S.A. (NET)		460,021		**616,929**
Grupo Carso, S.A.B. de C.V.		346,566		**–**
Operadora Cicsa, S.A. de C.V.		134,040		**161,936**
Inversora Bursatil, S.A.		131,813		**–**
PC Industrial, S.A. de C.V.		98,735		**168,890**
Microm, S.A. de C.V.		52,008		**45,970**
Grupo Financiero Inbursa, S.A.B. de C.V.		59,723		**45,729**
Conductores Mexicanos Eléctricos y de Telecomunicaciones, S.A. de C.V.		42,812		**18,898**
Acer Computec México, S.A. de C.V.		34,739		**4,575**
Sinergia Soluciones Integrales de Energia, S.A. de C.V.		13,121		**40,560**
Carso Infraestructura y Construcción, S.A.B. de C.V.		293		**–**
Eidon Software, S.A. de C.V.		106,186		**64,079**
AT&T		3,485		**7,495**
Other		221,847		**281,941**
Total	Ps.	1,911,295	**Ps.**	**1,630,265**

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

		2009		2010		2011
Investments and expenses:						
Construction services, purchases of materials, inventories and fixed assets (1)	Ps.	3,243,849	Ps.	3,411,260	**Ps.**	**5,391,385**
Insurance premiums, fees paid for administrative and operating services, brokerage services and others (2)		2,250,368		2,215,599		**2,354,859**
Call termination costs		247,567		187,971		**182,411**
Interconnection expenses (3)		2,571,296		3,612,950		**3,919,841**
Other services		63,231		40,052		**371,807**
	Ps.	8,376,311	Ps.	9,467,832	**Ps.**	**12,220,303**
Revenues:						
Sale of long-distance services and other telecommunications services (4)	Ps.	3,605,684	Ps.	4,847,286	**Ps.**	**5,266,597**
Sale of materials and other services		661,042		560,342		**523,795**
Call termination revenues (5)		1,030,159		666,013		**512,897**
	Ps.	5,296,885	Ps.	6,073,641	**Ps.**	**6,303,289**

(1) In 2011, this amount includes Ps.5,171,398 (Ps.2,720,123 in 2010) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso), which is an entity under common control with América Móvil. It also includes Ps. 97,204 in 2011 (Ps.97,204 in 2010) for the purchase from 2Wire of equipment for the broadband service platform.

[2] In 2011, this amount includes Ps.708,088 (Ps.343,810 in 2010) for network maintenance services performed by Grupo Carso subsidiaries; Ps. 584,254 (Ps.632,059 in 2010) for software services provided by an associate; Ps.605,373 (Ps.518,680 in 2010) for insurance premiums with Seguros Inbursa, S.A. (Seguros), which, in turn, places most of such insurance with reinsurers; and Ps.160,080 (Ps.159,083 in 2010) of fees for management and operating services due to AT&T Mexico, Inc. and Inversora, which is a corporation under common control with América Móvil.

[3] Includes interconnection expenses for calls from fixed telephones to mobile phones paid to NET subsidiaries.

[4] Revenues from billing long distance and other telecommunications services in 2011 include Ps. 4,641,231 (Ps.3,402,843 in 2010) from NET and Ps.135,302 (Ps.229,941 in 2010) from AT&T subsidiaries.

[5] Includes costs and revenues with AT&T, Inc. companies.

c) In December 2009, Embratel signed an agreement for the sale of capacity for Ps.6,372 million (US$ 487.9 million) through which it grants NET rights of use over its network. In addition, Embratel also executed an agreement to obtain the rights of use of transmission capacity over the NET coaxial network for which it paid Ps.6,551 million (US$ 501.7 million). Both agreements establish irrevocable rights of use (IRU) for 5 years with an option for renewal for another 5 years.

d) During 2011, the Company paid Ps.726,524 (Ps.755,127 in 2010) for short-term direct benefits to its executives.

19. Shareholders' Equity

Shares

a) At December 31, 2011 and 2010, the Company's capital stock is represented by 80,346,000,000 shares (23,424,632,660 Series AA shares, 785,607,280 Series A shares and 56,135,760,060 registered Series L shares with no par value and limited voting rights ("Series L")) and 76,992,000,000 shares (23,424,632,660 Series AA shares, 756,967,714 Series A shares and 52,810,399,626 Series L shares), respectively. Capital stock includes (i) the retroactive effect of the stock split in June 2011; (ii) the effect of the merger with AMTEL in 2006; (iii) the re-subscription of 8,438,193,725 Series L treasury shares resulting from the public tender offers and share exchange for Carso Global Telecom, S.A.B. de C.V. and Telmex Internacional, S.A.B. de C.V., which were completed on June 16, 2010; and (iv) the conversions of Series A shares into Series L shares, made by third parties through S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. These shares represent the outstanding capital stock of the Company as of December 31, 2011.

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

c) At December 31, 2010 and 2011, the Company's treasury shares included shares for re-subscription, in accordance with the provisions of the Mexican Securities Law, in the amount of 15,143,724,196 shares (15,142,656,796 Series L shares and 1,067,400 Series A shares), and 18,497,724,196 shares (18,495,699,196 Series L shares and 2,025,000 Series A shares), respectively. The Company's treasury shares include (i) the conversions of Series A shares into Series L shares performed by the Company through S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. in 2010; and (ii) the re-subscription of 8,438,193,725 Series L shares in the Company's treasury as a result of the public tender offers and share exchange for Carso Global Telecom, S.A.B. de C.V. and Telmex Internacional, S.A.B. de C.V., which was completed on June 16, 2010).

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

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

e) In accordance with the bylaws of the Company, each share of the Series AA or Series A may be exchanged at the option of the holders for one share of Series L. Series AA shares must at all times represent no less than 20% and no more than 51% of the Company's capital stock, and they also must represent at all times no less than 51% of the common shares (entitled to full voting rights, represented by Series AA and Series A shares) representing capital stock.

Series AA shares may only be subscribed to or acquired by Mexican investors, Mexican corporations and/or trusts expressly empowered for such purposes in accordance with the applicable legislation in force. Common Series A shares, which may be freely subscribed, may not represent more than 19.6% of capital stock and may not exceed 49% of the common shares representing such capital. Common shares (entitled to full voting rights, represented by Series AA and Series A shares) may represent no more than 51% of the Company's capital stock.

Lastly, the combined number of Series L shares, which have limited voting rights and may be freely subscribed, and Series A shares may not exceed 80% of the Company's capital stock. For purposes of determining these restrictions, the percentages mentioned above refer only to the number of Company shares outstanding.

Dividends

f) On April 20, 2009, the Company's shareholders approved payment of a cash dividend of $0.30 pesos per share for each Series AA, A and L shares, for a total dividend of Ps. 9,812,319, to be paid 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 shareholders approved payment of a cash dividend of $0.50 pesos per share of each Series AA, A and L shares, for a total dividend of Ps. 16,166,730, to be paid in full on December 10, 2009 against coupon No. 26 of the titles that represent the Company's capital stock.

g) On April 7, 2010, the Company's shareholders approved payment of a cash dividend of $0.32 pesos per share of each Series AA, A and L shares, for a total dividend of Ps. 12,948,813, to be paid in two installments of Ps. 0.16 pesos per share on July 23, 2010 and November 19, 2010 against coupons No. 27 and 28, respectively, of the titles that represent the Company's capital stock.

The aforementioned dividends were paid from the Net taxed profits account (CUFIN).

h) On April 27, 2011, on the Company's annual shareholders' meeting, the following was approved:

(i) execute a shareholding restructuring by means of a two-to-one stock split to be effective at a future date to be determined by management;

(ii) pay a cash dividend from the balance of the consolidated Net taxed profits account (CUFIN) in the amount of $0.36 pesos, payable in two installments, for each of the Series "AA", "A" and "L" shares representing capital stock (including the preferred dividend corresponding to Series "L" shares), which was subsequently adjusted based on the resolutions adopted regarding the two for one stock split that was effective in June 2011, and

(iii) increase the amount of funds available for the acquisition of the Company's own shares by Ps. 50 billion in the terms set forth in Article 56 of the Securities Trading Act.

The aforementioned dividends were paid from the Net taxed profits account (CUFIN).

i) In accordance with Article 20 of the Mexican Corporations Act, at least 5% of the net profit of each 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 the value of capital stock.

j) Earnings per share

The following table shows the calculation of the basic and diluted earnings per share for the years ended December 31, 2010 and 2011:

		2009		2010		2011
Net profit for the period attributable to equity holders of the parent	Ps.	92,697,553	Ps.	91,123,052	**Ps.**	**82,853,529**
Weighted average number of common shares outstanding (in millions)		77,930		79,020		**78,599**
Basic and diluted earnings per share attributable to equity holders of the parent	Ps.	1.19	Ps.	1.15	**Ps.**	**1.05**

Subsequent event

On February 14, 2012 AMX, the Board of Directors of AMX decided to submit to the Ordinary General Shareholders' Meeting to be held on or before April 30, 2012, a proposal to make a payment of a cash dividend from the consolidated net profit tax account (cuenta de utilidad fiscal neta consolidada), of Ps. 0.20 (twenty peso cents), payable in two installments, to each of the shares of its capital stock series AA, A and L outstanding as of the date of the dividend payment (which includes the preferred dividend correspondent to the series "L" shares), subject to adjustments arising from other corporate events (including repurchase or placement of its own shares), that may vary the number of shares outstanding as of the date of such dividend payment.

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

I) Mexico

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

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

b) Flat-rate business tax (FRBT)

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

FRBT is payable only to the extent it exceeds income tax for the same period. (In 2009 and 2010 América Móvil paid income tax, thus FRBT was not applicable). To determine FRBT payable, income tax paid in a given period is first subtracted from the FRBT of the same period.

c) Corporate tax rate

The income tax rate applicable in Mexico for 2010 and 2011 was 30%. In the case of 2009, the income tax rate was 28%.

d) An analysis of income tax charged to results of operations for the years ended December 31, 2009, 2010 and 2011 is as follows:

	2009	2010	2011
In Mexico:			
Current year income tax	Ps. 27,221,594	Ps. 35,358,801	**Ps. 31,933,880**
Deferred income tax	806,315	(6,609,769)	**(5,004,378)**
Effect of increase in tax rate	(279,837)	62,050	**(99,763)**
Foreign:			
Current year income tax	13,867,808	12,966,253	**18,940,637**
Deferred income tax	(5,316,713)	(5,563,716)	**(5,349,714)**
	Ps. 36,299,167	Ps. 36,213,619	**Ps. 40,420,662**

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

	Year ended December 31,		
	2009	2010	2011
Statutory income tax rate in Mexico	28.0%	30.0 %	**30.0%**
Impact of non-deductible and non-taxable items:			
Tax inflation effect	1.0%	1.6 %	**2.1%**
Operations of foreign subsidiaries	(0.7)%	(0.4) %	**(1.0%)**
Other	1.6%	0.4 %	**(0.1%)**
Effective tax rate on Mexican operations	29.8%	31.6 %	**31.0%**
Change in estimated realization of deferred tax assets in Brazil	(3.5)%	(4.4) %	**(1.5%)**
Use of tax credits in Brazil	(1.3)%	(1.3) %	**(0.4%)**
Revenues and costs of subsidiaries' operations	0.3%	0.9 %	**2.3%**
Effective tax rate	25.3%	26.8 %	**31.4%**

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

	At December 31,	
	2010	2011
Deferred tax assets		
Accrued liabilities	Ps. 4,361,987	**Ps. 6,194,778**
Other	2,281,061	**1,384,621**
Deferred revenues	2,360,447	**9,080,070**
Tax losses	4,059,234	**4,335,011**
	13,062,729	**20,994,480**
Deferred tax liabilities:		
Fixed assets	(18,865,653)	**(18,766,098)**
Inventories	(352,768)	**(348,507)**
Licenses	(393,135)	**(308,025)**
Deferred effects of tax consolidation in Mexican subsidiaries	(7,097,406)	**(7,204,850)**
Royalty advances	(2,530,000)	**(3,185,298)**
Pensions	(4,809,996)	**(6,251,882)**
Other	(1,230,793)	**(1,831,936)**
	(35,279,751)	**(37,896,596)**
Plus:		
Effect of increase in tax rate	217,787	**150,400**
Total deferred taxes	Ps. (21,999,235)	**Ps. (16,751,716)**

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

At December 31,

	2009	2010	2011
Deferred tax assets:			
Accrued liabilities	Ps. 1,035,287	Ps. 537,956	**Ps 1,832,791**
Other	(1,551,655)	476,193	**(896,440)**
Deferred revenues	(351,897)	(254,589)	**6,719,623**
Tax losses	(404,168)	84,467	**275,777**
	(1,272,433)	844,027	**7,931,751**
Deferred tax liabilities:			
Fixed assets	1,417,557	1,310,841	**99,556**
Inventories	18,164	195,373	**4,261**
Licenses	(50,931)	(324,939)	**85,110**
Forward contracts with affiliated companies	358,165	3,531,564	
Royalty advances	(1,400,000)	500,000	**(655,298)**
Pensions	(262,143)	(243,841)	**(1,441,886)**
Other	(308,068)	8,342	**(601,143)**
	(227,256)	4,977,340	**(2,509,400))**
Plus:			
Effect of increase in tax rate	279,837	(62,050)	**(67,387)**
Income tax from tax consolidation	591,514	(716,626)	**(107,445)**
Total deferred taxes	Ps. (628,338)	Ps. 5,042,691	**Ps. 5,247,519**

The effects of temporary differences giving rise to the deferred tax asset at December 31, 2010 and 2011 is as follows:

	At December 31,	
	2010	2011
Deferred tax assets:		
Accrued liabilities	Ps. 12,364,989	**Ps. 13,541,048**
Deferred revenues	486,489	**789,875**
Other	4,225,453	**4,478,188**
Tax losses	12,848,341	**14,567,430**
	29,925,272	**33,376,541**
Deferred tax liabilities:		
Fixed assets	192,520	**(74,126)**
Licenses	(493,747)	**(389,087)**
Other	(34,203)	**161,130**
	(335,430)	**(302,083)**
Total deferred taxes	Ps. 29,589,842	**Ps. 33,074,458**

At December 31, 2009, 2010 and 2011, the above table includes the deferred tax assets of TracFone, Puerto Rico, Argentina, Colombia, Honduras, Guatemala and Brazil.

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

	At December 31, 2009	2010	2011
Deferred tax assets:			
Accrued liabilities	Ps. 4,167,196	Ps. 1,798,968	**Ps. 1,176,059**
Deferred revenues	(85,012)	317,443	**303,386**
Other	1,007,082	343,207	**252,735**
Tax losses	897,649	6,580,325	**1,719,089**
	5,986,915	9,039,943	**3,451,269**
Deferred tax liabilities:			
Fixed assets	(1,108,032))	(1,565,298)	**(266,646)**
Licenses	355,145	(132,038)	**104,660**
Other	184,545	(61,197)	**195,333**
	(568,342)	(1,758,533)	**33,347**
Total deferred taxes	Ps. 5,418,573	Ps. 7,281,410	**Ps. 3,484,616**

Deferred tax assets are recognized for tax losses carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable, as well as for other temporary items. The benefit in income taxes expense for the years ended December 31, 2009 and 2010, attributable to the change in estimate over the recoverability of the tax loss carry-forwards, was Ps. 6,419,448 and Ps. 9,038,423, respectively, and is shown as a credit in deferred income tax.

g) Changes in the Mexican tax environment effective in 2010

On December 7, 2009, a tax reform was approved 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 the change in income tax rate in 2009 was a decrease of Ps.279,837 in the net deferred tax liability for rate scaling, since the reversal of certain differences between the book and tax values of assets and liabilities was calculated at the statutory rate of 30%.

Tax consolidation

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

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

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

Year	Portion to be remitted
2012	25%
2013	20%
2014	15%
2015	15%

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

h) At December 31, 2010 and 2011, the balance of the contributed capital account (CUCA) is Ps. 325,684,036 and Ps. 363,240,830, respectively, and the CUFIN balance is Ps.181,169,045 and Ps.318,080,830, respectively. Both balances include the effects of the public tender offers.

II) Foreign Subsidiaries

a) Results of operations

The foreign subsidiaries determine their taxes on profits based on their individual taxable income, in accordance with the specific tax regimes of each country. The combined income before taxes and the combined provision for taxes of such subsidiaries in 2009, 2010 and 2011 are as follows:

		2009		2010		2011
Combined income before taxes	Ps.	60,109,525	Ps.	44,996,818	**Ps.**	**42,011,515**
Combined tax provision		8,551,095		7,402,537		**13,590,923**

b) Tax losses

At December 31, 2011, the available tax loss carryforwards of the subsidiaries of América Móvil are as follows:

Country		Balance of available tax loss carryforwards at December31, 2011		Tax benefits
Chile	Ps .	4,286,765	**Ps.**	**728,750**
Brazil		38,867,206		**13,214,850**
Mexico		14,483,215		**4,344,966**
Puerto Rico		885,792		**310,027**
Argentina		122,370		**42,829**
Colombia		790,968		**261,019**
Total	Ps.	59,436,316	**Ps.**	**18,902,441**

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

i) In Brazil there is no expiration of the tax loss carryforwards; However, the carryforward amount in each year may not exceed 30% of the taxable income for such year. Consequently, in the year in which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate tax rate.

ii) In Chile, tax loss carryforwards have no expiration date and the corporate tax rate in that country is 17%. Consequently, at the time tax losses are realized, taxpayers obtain a benefit of only 17% of the amount of the loss generated.

21. Segments

América Móvil operates in different countries. As mentioned in Note 1, the Company has operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Brazil, Argentina, Colombia, United States, Honduras, Chile, Peru, Paraguay, Uruguay, Dominican Republic, Puerto Rico, Jamaica and Panama. The accounting policies for the segments are the same as those described in Note 2.

The Company management analyzes the financial and operating information by geographical segment, except for Mexico, which shows América Móvil and Telmex as two segments. All significant operating segments that represent more than 10% of consolidated revenues, more than 10% of net profits and more than 10% of consolidated assets, are presented separately.

	Mexico [1]	Telmex	Brazil	Southern Cone [2]
At December 31, 2009				
Operating revenues	146,094,630	118,348,207	140,676,456	39,821,928
Depreciation and amortization	8,138,967	17,926,053	26,749,243	4,776,322
Operating income	72,995,015	32,505,121	15,488,637	4,916,914
Interest income	3,432,415	711,244	1,622,564	342,606
Interest expense	9,254,055	4,240,662	2,738,714	437,759
Income tax	19,084,660	8,342,892	(1,113,559)	2,096,211
Equity interest in net income of associated company	208,884	254,680	1,859,184	17,032
Net income	40,948,647	19,338,843	20,232,205	13,203,088
Assets by segment	1,051,118,951	176,762,891	254,291,525	56,436,529
Plant, property and equipment, net	43,555,516	104,304,749	121,066,926	33,992,964
Goodwill, net	9,342,885		3,392,000	2,741,017
Trademarks, net	45,012		2,307,555	542,987
Licenses and rights, net	2,570,095	739,352	32,959,324	1,746,682
Investment in associates	15,918,077	1,744,574	11,787,171	46,449
Liabilities by segments	222,647,485	135,572,026	99,893,459	22,736,672
At December 31, 2010				
Operating revenues	157,555,171	114,080,323	154,308,757	43,465,809
Depreciation and amortization	10,261,103	17,500,370	33,525,620	5,537,205
Operating income	76,090,032	27,991,616	13,843,292	7,530,880
Interest income	4,275,008	583,762	2,615,814	760,644
Interest expense	13,847,898	3,443,522	3,135,696	457,751
Income tax	19,943,409	8,325,091	(3,286,036)	3,252,464
Equity interest in net income of associated company	52,485	195,910	1,428,826	19,435
Net income	44,664,283	15,121,138	14,264,111	6,443,241
Assets by segment	1,160,716,719	155,800,277	253,677,418	78,749,869
Plant, property and equipment, net	40,881,732	99,893,002	123,921,091	35,790,891
Goodwill, net	9,747,092	103,289	3,354,681	2,729,994
Trademarks, net	26,549		1,913,567	416,023
Licenses and rights, net	6,106,148	221,010	25,374,188	1,514,653
Investment in associates	48,274,722	1,392,042	44,945,736	65,727
Liabilities by segments	305,985,289	108,524,741	117,672,501	32,128,844
At December 31, 2011				
Operating revenues	**161,615,897**	**111,924,098**	**170,618,974**	**50,219,099**
Depreciation and amortization	**10,290,504**	**16,936,389**	**36,299,859**	**6,504,008**
Operating income	**76,004,224**	**26,582,083**	**9,450,925**	**8,607,931**
Interest income	**8,964,516**	**385,768**	**3,745,607**	**2,188,569**
Interest expense	**15,543,449**	**2,967,729**	**8,871,412**	**1,195,200**
Income tax	**19,064,289**	**7,333,206**	**(1,587,570)**	**3,758,431**
Equity interest in net income of associated company	**30,542**	**115,070**	**1,856,401**	
Net income	**41,407,389**	**14,581,672**	**4,297,400**	**4,100,544**
Assets by segment	**756,526,531**	**161,943,149**	**299,733,013**	**106,287,173**
Plant, property and equipment, net	**42,244,711**	**98,877,234**	**137,394,139**	**49,980,417**
Goodwill, net	**13,401,456**	**103,289**	**691,096**	**2,599,802**
Trademarks, net	**12,347**		**1,355,486**	**373,544**
Licenses and rights, net	**5,413,039**	**191,320**	**18,784,656**	**1,447,050**
Investment in associates	**48,227,056**	**1,585,330**	**48,298,290**	**226,050**
Liabilities by segments	**396,563,871**	**112,870,628**	**140,279,863**	**61,074,258**

(1) Mexico includes Telcel and corporate operations and assets

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

(3) Andean includes Ecuador and Peru.

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

(5) Excludes Puerto Rico

(6) Caribbean includes the Dominican Republic, Puerto Rico and Jamaica

Colombia	Andean [3]	Central-America [4]	U.S.A.[5]	Caribbean [6]	Eliminations	Consolidated total
42,359,959	26,843,708	18,052,734	22,654,796	28,209,958	(21,807,778)	561,254,598
7,549,230	3,326,147	6,115,200	385,211	5,010,660	(72,729)	79,904,304
11,540,602	6,415,691	623,786	797,039	4,085,015	(556,296)	148,811,524
467,263	338,296	235,672	81,617	362,569	(3,927,442)	3,666,804
628,508	629,581	456,926		77,484	(3,868,196)	14,595,493
3,741,424	2,189,629	1,102,774	694,044	161,092		36,299,167
					(380,402)	1,959,378
4,735,516	3,806,614	(1,748,859)	150,221	4,459,576	(12,428,298)	92,697,553
68,351,801	45,074,524	42,782,391	9,816,822	66,724,185	(964,026,006)	807,333,613
36,286,523	18,879,659	29,481,225	673,774	30,491,296		418,732,632
12,204,428	4,353,875	4,609,315	781,201	31,771,445		69,196,166
1,320,057	5,480	639,555		673,510		5,534,156
4,123,071	5,087,610	1,653,955		1,651,593		50,531,682
9,842		65,458			(12,013,937)	17,557,634
20,695,796	20,510,969	20,785,208	8,934,838	22,873,917	(81,114,917)	493,535,453
48,665,594	29,483,786	17,407,795	35,561,762	26,992,877	(19,666,196)	607,855,678
9,340,301	3,545,006	6,243,527	343,792	4,826,212	(51,809)	91,071,327
13,486,785	9,076,550	(194,044)	1,617,152	3,304,015	(424,869)	152,321,409
531,526	408,603	160,038	82,490	215,198	(4,831,544)	4,801,539
413,663	610,604	353,040		35,279	(5,016,718)	17,280,735
3,313,865	2,838,429	1,199,418	373,696	253,283		36,213,619
					(25,446)	1,671,210
7,328,991	5,944,117	(1,786,666)	1,277,269	3,146,377	(5,279,809)	91,123,052
83,930,378	65,392,559	45,658,743	12,560,676	65,246,778	(1,048,217,814)	873,515,603
33,826,866	18,636,393	28,788,969	718,744	29,362,699		411,820,387
13,892,928	3,947,450	4,590,890	781,201	31,771,442		70,918,967
1,087,300	3,975	499,950		584,513		4,531,877
4,018,557	4,497,609	1,174,314		1,614,379		44,520,858
13,130		59,874			(44,211,776)	50,539,455
28,872,300	23,186,120	22,172,746	11,643,324	21,614,564	(134,321,996)	537,478,433
58,705,069	**33,920,924**	**18,959,244**	**47,419,414**	**26,532,661**	**(14,613,876)**	**665,301,504**
8,273,765	**3,986,524**	**6,205,962**	**374,877**	**5,125,147**		**93,997,035**
19,450,851	**11,200,534**	**(57,464)**	**816,558**	**2,555,678**	**164,148**	**154,775,468**
147,966	**468,968**	**87,938**	**99,154**	**207,400**	**(9,441,986)**	**6,853,900**
595,188	**419,178**	**233,345**		**33,737**	**(9,067,632)**	**20,791,606**
6,819,446	**3,381,785**	**1,198,810**	**332,988**	**119,277**		**40,420,662**
				(14,703)	**(63,313)**	**1,923,997**
7,787,189	**8,316,861**	**(911,512)**	**585,807**	**3,270,017**	**(581,838)**	**82,853,529**
97,225,819	**65,993,608**	**56,856,694**	**16,090,706**	**66,584,465**	**(681,624,297)**	**945,616,861**
42,260,513	**24,462,608**	**38,854,216**	**813,907**	**31,199,028**		**466,086,773**
14,882,545	**4,120,226**	**4,808,699**	**781,201**	**31,650,119**		**73,038,433**
466,597	**1,942**	**288,214**		**508,724**		**3,006,854**
4,525,722	**4,794,475**	**1,029,922**		**2,344,715**		**38,530,899**
16,480		**76,591**			**(44,211,774)**	**54,218,023**
37,562,936	**21,400,022**	**31,771,790**	**15,354,830**	**24,228,460**	**(191,129,492)**	**649,977,166**

22. Components of other comprehensive income

An analysis of the components of the other comprehensive income as of December 31, 2009, 2010 and 2011 is as follows:

	2009	2010	2011
Valuation of the derivative financial instruments	Ps. (641,878)	Ps. (401,357)	**Ps. (276,748)**
Translation effect of foreign subsidiaries, net of deferred tax	22,976,080	(7,928,786)	**10,358,985**
Non-controlling interest of the items above	9,441,782	498,749	**61,772**
Other comprehensive income (loss)	Ps. 31,775,984	Ps. (7,831,394)	**Ps. 10,144,009**

23. Supplemental Guarantor Information

As mentioned in Note 16, the Company has issued senior notes in the United States. These notes are fully and unconditionally guaranteed by Telcel.

Consolidating Condensed Financial Information

The following consolidating information presents condensed consolidating balance sheets as of December 31, 2010 and 2011 and condensed consolidating statements of income and cash flows for each of the three years in the period ended December 31, 2010 and 2011 of the Company and Telcel (the "wholly-owned Guarantor Subsidiary"). These statements are prepared in accordance with IFRS, as issued by the IASB, with the exception that the subsidiaries are accounted for as investments under the equity method rather than being consolidated. The guarantees of the Guarantor are full and unconditional.

The Company's consolidating condensed financial information for the (i) Company; (ii) its wholly-owned subsidiary Telcel (on standalone basis), which is a wholly and unconditional guarantor under the Senior Notes; (iii) the combined non-guarantor subsidiaries; iv) eliminations and v) the Company's consolidated financial statements are as follows:

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
	As of December 31, 2010				
Assets:					
Cash and cash equivalents	Ps. 52,558,770	Ps. 878,844	Ps. 42,500,851		Ps. 95,938,465
Accounts receivable, net	25,464,621	12,201,315	60,819,572		98,485,508
Related parties	125,937,905	38,632,143	212,206,859	Ps. (373,205,871)	3,571,036
Inventories, net		9,706,438	20,306,056	(3,930,964)	26,081,530
Other current assets		391,277	9,244,156		9,635,433
Plant, property and equipment, net	9,800,000	13,518,033	391,317,955	(2,815,601)	411,820,387
Investments in associated companies and others	439,292,469	70,950,867	36,472,551	(496,176,432)	50,539,455
Intangible assets and other non-current assets, net	2,447,594	7,637,916	167,358,279		177,443,789
Total assets	Ps. 655,501,359	Ps. 153,916,833	Ps. 940,226,279	Ps. (876,128,868)	Ps. 873,515,603
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 1,583,208		Ps. 7,455,996		Ps. 9,039,204
Current liabilities	140,492,410	166,596,363	251,013,573	(362,598,467)	195,503,879
Long-term debt	200,772,926		93,288,026		294,060,952
Other non-current liabilities	5,000,832	1,387,374	43,093,595	(10,607,403)	38,874,398
Total liabilities	347,849,376	167,983,737	394,851,190	(373,205,870)	537,478,433
Equity attributable to equity holders of parent company	307,651,983	(14,066,904)	471,949,524	(457,882,620)	307,651,983
Non-controlling interest			73,425,565	(45,040,378)	28,385,187
Total equity	307,651,983	(14,066,904)	545,375,089	(502,922,998)	336,037,170
Total liabilities and equity	Ps. 655,501,359	Ps. 153,916,833	Ps. 940,226,279	Ps. (876,128,868)	Ps. 873,515,603

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
	As of December 31, 2011				
Assets:					
Cash and cash equivalents	**Ps. 29,197,958**	**Ps. 2,012,334**	**Ps. 27,913,704**		**Ps. 59,123,996**
Accounts receivable, net	**14,813,792**	**10,824,959**	**107,112,555**		**132,751,306**
Related parties	**43,587,586**	**42,450,553**	**127,340,889**	**(209,965,129)**	**3,413,899**
Inventories, net	**776,540**	**14,789,027**	**18,612,019**	**(36,269)**	**34,141,317**
Other current assets		**568,473**	**10,278,276**		**10,846,749**
Plant, property and equipment, net	**13,361,842**	**15,067,840**	**437,657,091**		**466,086,773**
Investments in associated companies and others	**579,314,439**	**118,109,790**	**85,084,029**	**(728,290,235)**	**54,218,023**
sIntangible assets and other non-current assets, net	**1,882,874**	**7,567,118**	**175,584,806**		**185,034,798**
Total assets	**Ps. 682,935,031**	**Ps. 211,390,094**	**Ps. 989,583,369**	**Ps. (938,291,633)**	**Ps. 945,616,861**
Liabilities:					
Short-term debt and current portion of long-term debt	**Ps. 1,197,237**		**Ps. 25,548,746**	**Ps. (102,668)**	**Ps. 26,643,315**
Current liabilities	**108,076,405**	**180,543,972**	**156,541,875**	**(209,047,136)**	**236,115,116**
Long-term debt	**287,514,674**		**66,460,813**		**353,975,487**
Other non-current liabilities	**506,527**	**16,385**	**33,571,931**	**(851,595)**	**33,243,248**
Total liabilities	**397,294,843**	**180,560,357**	**282,123,365**	**(210,001,399)**	**649,977,166**
Equity attributable to equity holders of parent company	**285,640,188**	**30,829,737**	**643,257,563**	**(674,087,304)**	**285,640,184**
Non-controlling interest			**64,202,441**	**(54,202,930)**	**9,999,511**
Total equity	**285,640,188**	**30,829,737**	**707,460,004**	**(728,290,234)**	**295,639,695**
Total liabilities and equity	**Ps. 682,935,031**	**Ps. 211,390,094**	**Ps. 989,583,369**	**Ps. (938,291,633)**	**Ps. 945,616,861**

Condensed consolidating statements of income:

For the year ended December 31, 2009

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues		Ps. 106,157,444	Ps. 515,816,501	Ps. (60,719,347)	Ps. 561,254,598
Total cost and operating expenses	Ps. 1,563,689	94,307,750	378,884,142	(62,312,507)	412,443,074
Operating (loss) income	(1,563,689)	11,849,694	136,932,359	1,593,160	148,811,524
Interest (expense) income, net	(9,729,782)	(2,259,976)	1,118,566	(57,497)	(10,928,689)
Exchange (loss) gain, net	2,829,007	(422,441)	11,013,296		13,419,862
Other financing cost, net	(4,731,976)	(282,351)	(5,047,536)		(10,061,863)
Taxes on profits	653,814	(2,293,953)	(34,659,028)		(36,299,167)
Equity interest in net income of associated company	105,240,179	3,284,783	9,875,755	(116,441,339)	1,959,378
Net income (loss) for year	Ps. 92,697,553	Ps. 9,875,756	Ps. 119,233,412	Ps. (114,905,676)	Ps. 106,901,045
Distribution of the net income (loss) to:					
Equity owners of holding company	Ps. 92,697,553	Ps. 9,875,756	Ps. 105,017,045	Ps. (114,892,801)	Ps. 92,697,553
Non-controlling interest			14,216,367	(12,875)	14,203,492
Net income (loss)	Ps. 92,697,553	Ps. 9,875,756	Ps. 119,233,412	Ps. (114,905,676)	Ps. 106,901,045

Condensed consolidating statements of income:

For the year ended December 31, 2010

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 3,745,818	Ps. 107,499,431	Ps. 597,055,338	Ps. (100,444,909)	Ps. 607,855,678
Total cost and operating expenses	Ps. 1,336,270	106,223,410	448,408,826	(100,434,237)	455,534,269
Operating (loss) income	2,409,548	1,276,021	148,646,512	(10,672)	152,321,409
Interest (expense) income, net	(11,138,004)	(3,164,235)	1,825,243	(2,200)	(12,479,196)
Exchange (loss) gain, net	4,822,580	542,954	216,040		5,581,574
Other financing cost, net	(1,815,045)	(2,895,023)	(7,265,887)		(11,975,955)
Taxes on profits	137,446	1,326,144	(37,677,209)		(36,213,619)
Equity interest in net income of associated company	96,706,527	3,412,786	498,647	(98,946,750)	1,671,210
Net income (loss) for year	Ps. 91,123,052	Ps. 498,647	Ps. 106,243,346	Ps. (98,959,622)	Ps. 98,905,423
Distribution of the net income (loss) to:					
Equity owners of holding company	Ps. 91,123,052	Ps. 498,647	Ps. 97,951,398	Ps. (98,450,045)	Ps. 91,123,052
Non-controlling interest			8,291,948	(509,577)	7,782,371
Net income (loss)	Ps. 91,123,052	Ps. 498,647	Ps. 106,243,346	Ps. (98,959,622)	Ps. 98,905,423

Condensed consolidating statements of income:

For the year ended December 31, 2011

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	**Ps. 102,598,076**	**Ps. 120,096,292**	**Ps. 572,777,972**	**Ps. (130,170,836)**	**Ps. 665,301,504**
Total cost and operating expenses	**57,092,568**	**109,575,540**	**473,440,945**	**(129,583,017)**	**510,526,036**
Operating (loss) income	**45,505,508**	**10,520,752**	**99,337,027**	**(587,819)**	**154,775,468**
Interest (expense) income, net	**(6,537,358)**	**(9,675,128)**	**2,278,785**	**(4,005)**	**(13,937,706)**
Exchange (loss) gain, net	**(19,497,182)**	**(646,502)**	**(2,251,032)**		**(22,394,716)**
Other financing cost, net	**2,433,267**		**5,773,049**	**(28,531)**	**8,177,785**
Taxes on profits	**(9,316,862)**	**(1,223,610)**	**(29,880,190)**		**(40,420,662)**
Equity interest in net income of associated company	**70,266,156**	**1,350,663**	**326,175**	**(70,018,997)**	**1,923,997**
Net income (loss) for year	**Ps. 82,853,529**	**Ps. 326,175**	**Ps. 75,583,814**	**Ps. (70,639,352)**	**Ps. 88,124,166**
Distribution of the net income (loss) to:					
Equity owners of holding company	**Ps. 82,853,529**	**Ps. 326,175**	**Ps. 67,927,923**	**Ps. (68,254,098)**	**Ps. 82,853,529**
Non-controlling interest			**(7,655,891)**	**2,385,254**	**(5,270,637)**
Net income (loss)	**Ps. 82,853,529**	**Ps. 326,175**	**Ps. 75,583,814**	**Ps. (70,639,352)**	**Ps. 88,124,166**

Condensed Consolidating Statements of Cash Flows:

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
	For the year ended December 31, 2009				
Operating activities:					
Income before taxes	Ps. 106,247,230	Ps. 12,169,709	Ps. 153,892,439	Ps. (129,109,166)	Ps. 143,200,212
Non-cash items	(118,526,932)	5,988,686	73,127,593	130,644,830	91,234,177
Changes in working capital:	60,814,480	(13,883,127)	(63,188,718)	(1,705,009)	(17,962,374)
Net cash flows (used in) provided by operating activities	48,534,778	4,275,268	163,831,314	(169,345)	216,472,015
Investing activities:					
Acquisition of plant, property and equipment		(3,662,657)	(73,784,361)		(77,447,018)
Acquisition of licenses		27,119	(2,411,120)		(2,384,001)
Dividends received	31,362,000	5,500,000	3,180,000	(40,042,000)	
Acquisition of non-controlling interest			(339,701)		(339,701)
Fixed assets sales			556,704		556,704
Net cash flows provided (used in) by investing activities	31,362,000	1,864,462	(72,798,478)	(40,042,000)	(79,614,016)
Financing activities:					
Bank loans, net	(30,479,328)		(2,449,284)		(32,928,612)
Acquisition of permanent investments		(169,345)	(1,151,853)	169,345	(1,151,853)
Interest Paid		(2,453,158)	(13,474,462)		(15,927,620)
Repurchase and others	(24,657,808)		(6,824,849)		(31,482,657)
Payment of dividends	(25,462,328)	(3,180,000)	(44,480,698)	40,042,000	(33,081,026)
Net cash flows (used in) provided by financing activities	(80,599,464)	(5,802,503)	(68,381,146)	Ps. 40,211,345	(114,571,768)
Net (decrease) increase in cash and cash equivalents	(702,686)	337,227	22,651,690		22,286,231
Adjustment to cash flow for exchange rate differences			1,194,606		1,194,606
Cash and cash equivalents at Beginning of the Period	2,818,137	68,061	33,399,498		36,285,696
Cash and cash equivalents at end of the period the period	Ps. 2,115,451	Ps. 405,288	Ps. 57,245,794		Ps. 59,766,533

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
	For the year ended December 31, 2010				
Operating activities:					
Income before taxes	Ps. 98,767,975	Ps. (827,498)	Ps. 143,920,558	Ps. (106,741,993)	Ps. 135,119,042
Non-cash items	(109,311,476)	9,438,536	104,928,291	106,729,121	111,784,472
Changes in working capital:	(71,545,454)	39,496,263	(14,109,221)	12,872	(46,145,540)
Net cash flows (used in) provided by operating activities	(82,088,955)	48,107,301	234,739,628		200,757,974
Investing activities:					
Acquisition of plant, property and equipment	(9,800,000)	(1,491,207)	(66,575,202)		(77,866,409)
Acquisition of licenses		(3,868,708)	(206,521)		(4,075,229)
Dividends received	61,525,499	3,300,000	8,871,250	(73,696,749)	
Acquisition of non-controlling interest			(31,463,621)		(31,463,621)
Fixed assets sales			884,241		884,241
Net cash flows provided (used in) by investing activities	51,725,499	(2,059,915)	(88,489,853)	(73,696,749)	(112,521,018)
Financing activities:					
Bank loans, net	114,968,571		(83,015,282)		31,953,289
Acquisition of permanen investments	(3,245,656)	(31,421,735)			(34,667,391)
Interest Paid		(852,096)	(13,867,203)		(14,719,299)
Repurchase and others	(18,150,990)				(18,150,990)
Payment of dividends	(12,765,150)	(13,299,999)	(64,825,502)	73,696,749	(17,193,902)
Financial Instruments			826,850		826,850
Net cash flows (used in) provided by financing activities	80,806,775	(45,573,830)	(160,881,137)	73,696,749	(51,951,443)
Net (decrease) increase in cash and cash equivalents	50,443,319	473,556	(14,631,362)		36,285,513
Adjustment to cash flow for exchange rate differences			(113,581)		(113,581)
Cash and cash equivalents at Beginning of the Period	2,115,451	405,288	57,245,794		59,766,533
Cash and cash equivalents at end of the period the period	Ps. 52,558,770	Ps. 878,844	Ps. 42,500,851		Ps. 95,938,465

Condensed Consolidating Statements of Cash Flows:

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
	For the year ended December 31, 2011				
Operating activities:					
Income before taxes	Ps. 91,938,656	Ps. 1,549,784	Ps. 105,464,007	Ps. (70,407,619)	Ps. 128,544,828
Non-cash items	(57,862,808)	13,623,630	113,896,923	69,791,121	139,448,866
Changes in working capital:	67,986,792	1,647,322	(145,007,404)	620,355	(74,752,935)
Net cash flows (used in) provided by operating activities	102,062,640	16,820,736	74,353,526	3,857	193,240,759
Investing activities:					
Acquisition of plant, property and equipment	(3,561,842)	(5,360,109)	(111,271,237)		(120,193,188)
Acquisition of licenses			(993,692)		(993,692)
Dividends received	80,074,790		1,379,999		(81,454,789)
Acquisition of non-controlling interest	(123,626,353)	(991,358)	(1,279,701)	123,626,353	(2,271,059)
Fixed assets sales			38,312		38,312
Net cash flows provided (used in) by investing activities	(47,113,405)	(6,351,467)	(112,126,319)	42,171,564	(123,419,627)
Financing activities:					
Bank loans, net	61,811,634		(15,803,025)		46,008,609
Acquisition of permanent investments	(64,458,586)		(3,005,784)		(67,464,370)
Interest Paid	(9,487,535)	(7,955,780)	(623,978)		(18,067,293)
Paid-In Capital			123,626,353		(123,626,353)
Repurchase and others	(52,368,010)		(1,358,774)		(53,726,784)
Payment of dividends	(13,807,550)	(1,379,999)	(83,306,363)	81,450,932	(17,042,980)
Financial instruments			3,158,678		3,158,678
Net cash flows (used in) provided by financing activities	(78,310,047)	(9,335,779)	22,687,107	(42,175,421)	(107,134,140)
Net (decrease) increase in cash and cash equivalents	(23,360,812)	1,133,490	(15,085,686)		(37,313,008)
Adjustment to cash flow for exchange rate differences			498,539		498,539
Cash and cash equivalents at Beginning of the Period	52,558,770	878,844	42,500,851		95,938,465
Cash and cash equivalents at end of the period the period	Ps. 29,197,958	Ps. 2,012,334	Ps. 27,913,704		Ps. 59,123,996

Glosary 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.

LTE – Long Term Evolution is the fourth generation of mobile phone standards and technology, superseding 3G. Services include wide-area wireless voice telephony and high-speed broadband wireless data, all in a mobile environment.

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 Ac- cess (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.

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Valores, Símbolo: AMX A
"L": Bolsa Mexicana de
Valores, Símbolo: 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

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