As filed with the Securities and Exchange Commission on April 29, 2020

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 20-F

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2019
Commission file number: 1-16269

AMÉRICA MÓVIL, S.A.B. DE C.V.

(exact name of registrant as specified in its charter)
America Mobile
(translation of registrant's name into English)
United Mexican States
(jurisdiction of incorporation)
Lago Zurich 245, Plaza Carso / Edificio Telcel
Colonia Ampliación Granada, Miguel Hidalgo
11529 Mexico City, Mexico
(address of principal executive offices)
Daniela Lecuona Torras
Lago Zurich 245, Plaza Carso / Edificio Telcel, Piso 16
Colonia Ampliación Granada, Miguel Hidalgo
11529 Mexico City,
Telephone: (5255) 2581-3700 / Facsimile: (5255) 2581-4422
E-mail: daniela.lecuona@americamovil.com
(name, telephone, e-mail and/or facsimile number and address of company contact person)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading symbol	Name of each exchange on which registered:
A Shares, without par value	AMOV	New York Stock Exchange
L Shares, without par value	AMX	New York Stock Exchange
3.125% Senior Notes Due 2022	AMX22	New York Stock Exchange
3.625% Senior Notes Due 2029	AMX29	New York Stock Exchange
6.375% Notes Due 2035	AMX35	New York Stock Exchange
6.125% Notes Due 2037	AMX37	New York Stock Exchange
6.125% Senior Notes Due 2040	AMX40	New York Stock Exchange
4.375% Senior Notes Due 2042	AMX42	New York Stock Exchange
4.375% Senior Notes Due 2049	AMX49	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None
The number of outstanding shares of each of the registrant's classes of capital or common stock as of December 31, 2019:

20,602 million	AA Shares
531 million	A Shares
44,872 million	L Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No



2019 ANNUAL REPORT

FORM 20-F

PAGE INTENTIONALLY BLANK

TABLE OF CONTENTS

(See Form 20-F Cross Reference Guide on page 111)

Selected Financial Data	2
PART I: INFORMATION ON THE COMPANY	5
About América Móvil	6
Our Networks	14
Our Competitors	16
Acquisitions, Other Investments and Divestitures	16
Marketing, Sales and Distribution, Customer Services	17
PART II: OPERATING AND FINANCIAL REVIEW AND PROSPECTS	19
Overview	20
Results of Operations	22
Liquidity and Capital Resources	36
Critical Accounting Policies and Estimates	42
PART III: RISK FACTORS	45
PART IV: SHARE OWNERSHIP AND TRADING	59
Major Shareholders	60
Related Party Transactions	61
Dividends	62
Trading Markets	62
Bylaws	62
Purchases of Equity Securities by the Issuer and Affiliated Purchasers	63
Taxation of Shares and ADSs	64
PART V: CORPORATE GOVERNANCE	69
Management	70
Corporate Governance	79
Controls and Procedures	82
Code of Ethics	85
Corporate Sustainability Report	85
PART VI: REGULATION	88
Regulation	89
PART VII: ADDITIONAL INFORMATION	106
Employees	107
Legal Proceedings	107
Principal Accountant Fees and Services	108
Additional Information	109
Forward-Looking Statements	110
Form 20-F Cross Reference Guide	111
Signatures	114
PART VIII: CONSOLIDATED FINANCIAL STATEMENTS	

SELECTED FINANCIAL DATA

We prepared our audited consolidated financial statements included in this annual report in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The selected financial information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements.

We present our consolidated financial statements in Mexican pesos. This annual report contains translations of various peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations that the peso amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, we have translated U.S. dollar amounts from pesos at the exchange rate of Ps.18.8452 to U.S.$1.00, which was the rate reported by Banco de México on December 30, 2019, as published in the Official Gazette of the Federation (*Diario Oficial de la Federación*, or "Official Gazette").

We have not included earnings or dividends on a per American Depositary Share ("ADS") basis. Each L Share ADS represents 20 L Shares and each A Share ADS represents 20 A Shares.

	FOR THE YEAR ENDED DECEMBER 31,					
	2015	2016	2017	2018	2019	2019
	(in millions of Mexican pesos, except share and per share amounts)					(in millions of U.S. dollars, except share and per share amounts)
STATEMENT OF COMPREHENSIVE INCOME DATA:						
Operating revenues	Ps. 893,738	Ps. 975,412	Ps. 1,021,634	Ps. 1,038,208	Ps. 1,007,348	U.S.$ 53,454
Operating costs and expenses	752,325	865,802	921,490	898,651	852,507	45,237
Depreciation and amortization	125,715	148,526	160,175	155,713	158,915	8,433
Operating income	141,413	109,610	100,144	139,557	154,841	8,217
Net profit for the year	**Ps. 36,961**	**Ps. 12,079**	**Ps. 32,155**	**Ps. 54,517**	**Ps. 70,313**	**U.S.$ 3,731**
NET PROFIT ATTRIBUTABLE FOR THE YEAR TO:						
Equity holders of the parent	Ps. 35,055	Ps. 8,650	Ps. 29,326	Ps. 52,566	Ps. 67,731	U.S.$ 3,594
Non-controlling interests	1,906	3,429	2,829	1,951	2,582	137
Net profit for the year	**Ps. 36,961**	**Ps. 12,079**	**Ps. 32,155**	**Ps. 54,517**	**Ps. 70,313**	**U.S.$ 3,731**
EARNINGS PER SHARE:						
Basic	Ps. 0.52	Ps. 0.13	Ps. 0.44	Ps. 0.79	Ps. 1.03	U.S.$ 0.05
Diluted	Ps. 0.52	Ps. 0.13	Ps. 0.44	Ps. 0.79	Ps. 1.03	U.S.$ 0.05
Dividends declared per share [1]	Ps. 0.26	Ps. 0.28	Ps. 0.30	Ps. 0.32	Ps. 0.35	U.S.$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (MILLIONS):						
Basic	66,869	65,693	65,909	66,055	66,016	
Diluted	66,869	65,693	65,909	66,055	66,016	
BALANCE SHEET DATA:						
Property, plant and equipment, net	Ps. 573,529	Ps. 701,190	Ps. 676,343	Ps. 640,001	Ps. 639,343	U.S.$ 33,926
Right of use assets	—	—	—	—	118,003	6,262
Total assets	1,296,487	1,515,042	1,486,212	1,429,223	1,531,934	81,291
Short-term debt and current portion of long-term debt	119,590	82,607	51,746	96,230	129,172	6,854
Short-term lease debt					25,895	1,374
Long-term debt	563,627	625,194	646,139	542,692	495,082	26,271
Long-term lease debt					94,702	5,025
Capital stock	96,338	96,338	96,339	96,338	96,338	5,112
Total equity	**160,854**	**271,024**	**260,634**	**245,872**	**226,907**	**12,042**
NUMBER OF OUTSTANDING SHARES (MILLIONS):						
AA Shares	23,384	20,635	20,602	20,602	20,602	
A Shares	625	592	567	546	531	
L Shares	41,990	44,571	44,901	44,887	44,872	

[1] Figures for each year provided represent the annual dividend declared at the general shareholders' meeting that year. For information on dividends paid per share translated into U.S. dollars, see "Share Ownership and Trading—Dividends" under Part IV of this annual report.


The Network of

PART I
INFORMATION ON THE COMPANY



ABOUT AMÉRICA MÓVIL

HISTORY AND CORPORATE INFORMATION

América Móvil, S.A.B. de C.V. ("América Móvil," "we" or the "Company") is a sociedad anónima bursátil de capital variable organized under the laws of Mexico.

We were established in September 2000 when Teléfonos de México, S.A.B. de C.V. ("Telmex"), a fixed-line Mexican telecommunications operator privatized in 1990, spun off to us its wireless operations in Mexico and other countries. We have made significant acquisitions throughout Latin America, the United States, the Caribbean and Europe, and we have also expanded our businesses organically. In 2010, we acquired control of Telmex and Telmex Internacional, S.A.B. de C.V. ("Telmex Internacional") in a series of public tender offers.

Our principal executive offices are located at Lago Zurich 245, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Miguel Hidalgo, 11529, Mexico City, Mexico. Our telephone number at this location is (5255) 2581-3700.

BUSINESS OVERVIEW

We provide telecommunications services in 25 countries. We are a leading telecommunications services provider in Latin America, ranking first in wireless, fixed-line, broadband and Pay TV services based on the number of revenue generating units ("RGUs").

Our largest operations are in Mexico and Brazil, which together account for over half of our total RGUs and where we have the largest market share based on RGUs. We also have operations in 16 other countries in the Americas and seven countries in Central and Eastern Europe as of December 31, 2019. For a list of our principal subsidiaries, see note 2 a(ii) to our audited consolidated financial statements and "Additional Information—Exhibit 8.1" under Part VII of this annual report.

We intend to build on our position as leaders in integrated telecommunications services in Latin America and the Caribbean, and to grow in other parts of the world by continuing to expand our subscriber base through the development of our existing businesses and strategic acquisitions when opportunities arise. We have developed world-class integrated telecommunications platforms to offer our customers new services and enhanced communications solutions with higher data speed transmissions at lower prices. We continue investing in our networks to increase coverage and implement new technologies to optimize our network capabilities. See "Operating and Financial Review and Prospects—Overview" under Part II of this annual report for a discussion on the seasonality of our business.

RECENT DEVELOPMENTS

COVID-19

The unprecedented health crisis arising from the spread of the Coronavirus will result in a severe global economic downturn that will impact most countries substantially, according to the forecasts of various international banks and multilateral institutions. There is no clarity as to its overall duration and magnitude or its impact in the countries where we operate. The financial resilience of our company, and its vast and critical infrastructure after a long period of heavy investment, are important assets in these times.

It has become increasingly evident that telecommunication services are critical for companies, families and individuals alike. At América Móvil we have been fully committed to ensuring the continuity of our top-quality services, while prioritizing the health and well-being of our customers and employees. We have adapted our processes and commercial plans to accommodate the needs of our subscribers, and we have actively supported all government measures related to our industry.

The impact of the pandemic on our financial performance through the first quarter of 2020 was limited. We entered this COVID-19 crisis with a solid balance sheet after a long period of deleveraging and remain committed to maintaining a low leverage ratio. We have drawn our committed credit facilities to ensure that we can continue to service our debt and preserve optimal liquidity for the foreseeable future. As for our cash flow and profitability, we aim to protect them by adjusting our operating expenditures, capital expenditures and working capital as needed.

The nature of the crisis, the public health measures to contain it, and the economic impact are all developing rapidly, and they vary among the different jurisdictions where we operate. The effects on our business and our financial performance remain highly uncertain.

Credit Facility Draw

On March 25, 2020, we drew the full amount of our U.S.$2.5 billion Dollar facility and our U.S.$2.0 billion Euro facility. We elected to draw on the facilities to assure liquidity and maximize flexibility in light of the current uncertainty surrounding the impact of COVID-19. See "Liquidity and Capital Resources—Borrowings" under Part II of this annual report.

Tender Offer of Exchangeable Bonds

On April 9, 2020, América Móvil announced a tender offer to purchase in cash its Zero Coupon Exchangeable Bonds due on May 28, 2020. The tender offer finalized on April 17, 2020 and resulted with the Company purchasing €1,318,200,000 of the principal amount of the Exchangeable Bond. Aggregate principal amount of €1,607,300,000 of the Exchangeable Bonds remains outstanding.


15.60
74.84
12.76

About América Móvil

MEXICO TELCEL TELMEX

Licensed Population	127
Wireless Subscribers	76,918
Revenue Generating Units (RGUs)	21,992
Wireless Penetration	98%

Wireless and fixed operations

UNITED STATES TRACFONE

Licensed Population	338
Wireless Subscribers	20,876
Revenue Generating Units (RGUs)	-
Wireless Penetration	132%

Wireless operation

ECUADOR CLARO

Licensed Population	17
Wireless Subscribers	8,493
Revenue Generating Units (RGUs)	446
Wireless Penetration	92%

Wireless and fixed operations

PERU CLARO

Licensed Population	33
Wireless Subscribers	11,611
Revenue Generating Units (RGUs)	1,603
Wireless Penetration	118%

Wireless and fixed operations

CHILE CLARO

Licensed Population	19
Wireless Subscribers	6,873
Revenue Generating Units (RGUs)	1,400
Wireless Penetration	151%

Wireless and fixed operations

The following map illustrates the geographic diversity of our operations and certain key performance indicators ("KPIs") as of December 31, 2019.



AUSTRIA & EASTERN EUROPE A1

Licensed Population	41
Wireless Subscribers	21,296
Revenue Generating Units (RGUs)	6,143
Wireless Penetration	139%

Austria, Belarus, Bulgaria, Croatia, Serbia, Slovenia and Macedonia / Wireless operation
Austria, Belarus, Bulgaria, Croatia, Slovenia and Macedonia / Fixed operations

CENTRAL AMERICA & CARIBBEAN CLARO

Licensed Population	64
Wireless Subscribers	21,733
Revenue Generating Units (RGUs)	6,937
Wireless Penetration	102%

Wireless and fixed operations

COLOMBIA CLARO

Licensed Population	51
Wireless Subscribers	31,104
Revenue Generating Units (RGUs)	7,613
Wireless Penetration	122%

Wireless and fixed operations

BRAZIL CLARO

Licensed Population	211
Wireless Subscribers	54,488
Revenue Generating Units (RGUs)	34,048
Wireless Penetration	106%

Wireless and fixed operations

ARGENTINA, PARAGUAY & URUGUAY CLARO

Licensed Population	56
Wireless Subscribers	24,634
Revenue Generating Units (RGUs)	1,114
Wireless Penetration	126%

Argentina, Paraguay y Uruguay / Wireless operation
Argentina and Paraguay / Fixed operations

Licensed Population in millions Wireless Subscribers and Revenue Generating Units in thousands

KEY PERFORMANCE INDICATORS

We have identified certain KPIs that help measure the performance of our operations. The table of our KPIs below includes the number of our wireless subscribers and our fixed RGUs, which together make up the total RGUs, in the countries where we operate. Wireless subscribers consist of the number of prepaid and postpaid subscribers to our wireless services. Fixed RGUs consist of fixed voice, fixed data and Pay TV units (which include customers of our Pay TV services and, separately, of certain other digital services). The figures below reflect total wireless subscribers and fixed RGUs of all our consolidated subsidiaries, without adjustments to reflect our equity interest, in the following reportable segments:

- Mexico Wireless;
- Mexico Fixed;
- Brazil;
- Colombia;
- Southern Cone (Argentina, Chile, Paraguay and Uruguay);
- Andean Region (Ecuador and Peru);
- Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama);
- the Caribbean (the Dominican Republic and Puerto Rico);
- the United States; and
- Europe (Austria, Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovenia).

	AS OF DECEMBER 31,		
	2017	2018	2019
	(in thousands)		
WIRELESS SUBSCRIBERS:			
Mexico Wireless	73,855	75,448	76,918
Brazil	59,022	56,416	54,488
Colombia	29,353	29,681	31,104
Southern Cone	31,076	30,971	31,507
Andean Region	20,352	20,344	20,104
Central America	15,927	14,364	15,488
Caribbean	5,637	5,887	6,244
United States	23,132	21,688	20,876
Europe	20,658	21,029	21,296
Total Wireless Subscribers	**279,012**	**275,828**	**278,025**
FIXED RGUS:			
Mexico Fixed	21,851	22,337	21,992
Brazil	35,904	35,285	34,048
Colombia	6,753	7,171	7,613
Southern Cone	2,023	2,199	2,514
Andean Region	1,765	1,856	2,049
Central America	5,811	6,465	4,409
Caribbean	2,700	2,546	2,528
Europe	6,036	6,203	6,143
Total Fixed RGUs	**82,844**	**84,062**	**81,296**
Total RGUs	**361,856**	**359,890**	**359,323**

PRINCIPAL BRANDS

We operate in all of our geographic segments under the Claro brand name, except in Mexico, the United States and Europe, where we principally do business under the brand names listed below.

COUNTRY	PRINCIPAL BRANDS	SERVICES AND PRODUCTS
Mexico	Telcel	Wireless voice Wireless data
	Telmex Infinitum	Fixed voice Fixed data
United States	TracFone Straight Talk	Wireless voice Wireless data
Europe	A1[(1)]	Wireless vocie Wireless data Fixed voice Fixed data Pay TV

[(1)] The harmonization of the brands within A1 Telekom Austria Group that was resolved in 2017 continued in 2019 with the successful brand launch in Belarus and North Macedonia, and will be completed in 2020 with the rebranding in Serbia.

SERVICES AND PRODUCTS

We offer a wide range of services and products that vary by market, including wireless voice, wireless data and value-added services, fixed voice, fixed data, broadband and IT services, Pay TV and over-the-top ("OTT") services.

Wireless Operations

In 2019, our wireless voice and data operations generated revenues of Ps.523.0 billion, representing 51.9% of our consolidated revenues. As of December 31, 2019, our wireless operations represented approximately 77.4% of our total RGUs.

Voice and Data

Our wireless subsidiaries provide voice communication services across the countries in which they operate. We offer international roaming services to our wireless subscribers through a network of cellular service providers with which our wireless subsidiaries have entered into international roaming agreements around the world, and who provide GSM, 3G and 4G-LTE roaming services.

The voice and data plans are either "postpaid," where the customer is billed monthly for the previous month, or "prepaid," where the customer pays in advance for a specified volume of use over a specified period. Postpaid plans increased as a percentage of the wireless base from 27.5% in December 2018 to 32.0% as of December 31, 2019, while prepaid plans represented 68.0%.

Our wireless voice services are offered under a variety of plans to meet the needs of different market segments. In addition, we often bundle wireless data communications services together with wireless voice services. Our wireless subsidiaries had approximately 278 million wireless voice and data subscribers as of December 31, 2019.

Prepaid customers typically generate lower levels of usage and are often unwilling or financially ineligible to purchase postpaid plans. Our prepaid plans have been instrumental to increase wireless penetration in Latin America and Eastern Europe to levels similar to those of developed markets. Additionally, prepaid plans entail little to no risk of non-payment, as well as lower customer acquisition costs and billing expenses, compared to the average postpaid plan.

In general, our average rates per minute of wireless voice are very competitive for both prepaid and postpaid plans. The rates in 2019 decreased an average of 11.05%, at constant exchange rates relative to 2018. In addition, the plans we offer our retail customers include selective discounts and promotions that reduce the rates our customers pay.

Value-Added Services

As part of our wireless data business, our subsidiaries offer value-added services that include Internet access, messaging and other wireless entertainment and corporate services through GSM/EDGE, 3G and 4G LTE networks.

Internet services include roaming capability and wireless Internet connectivity for feature phones, smartphones, tablets and laptops, including data transmission, e-mail services, instant messaging, content streaming and interactive applications. For example, in Mexico, our website for our wireless services (www.telcel.com) through Radiomóvil Dipsa, S.A. de C.V ("Telcel"), offers a wide range of services and content such as video, music, games and other applications, which our subscribers can access from mobile devices. In addition, we offer other wireless services, including wireless security services, mobile payment solutions, machine-to-machine services, mobile banking, virtual private network ("VPN") services, video calls and Personal Communications Service ("PCS").

Fixed Operations

In 2019, our fixed voice, data, broadband and IT solutions had revenues of Ps.292.2 billion, representing 29.0% of our consolidated revenues. As of December 31, 2019, our fixed operations represented approximately 22.6% of our total RGUs, compared to 23.4% as of December 31, 2018.

Voice

Our fixed voice services include local, domestic and international long-distance and public telephone services, under a variety of plans to meet the needs of different market segments, specifically tailored to our residential and corporate clients.

Data

We offer data services, including data centers, data administration and hosting services to our residential and corporate clients under a variety of plans.

Broadband

We provide residential broadband access through hybrid fiber-coaxial ("HFC") or fiber-optic cable. These services are typically bundled with voice services and are competitively priced as a function of the desired or available speed. As a complement to these services, we offer a number of products such as home networking and smart home services.

IT Solutions

Our subsidiaries provide a number of different IT solutions for small businesses and large corporations. We also provide specific solutions to the industrial, financial, government and tourism sectors, among others.

Pay TV

We offer Pay TV through cable and satellite TV subscriptions to both retail and corporate customers under a variety of plans. As of December 31, 2019, we had approximately 20.9 million Pay TV RGUs, a decrease of approximately 603 thousand Pay TV RGUs from the prior year.

Equipment, Accessories and Computer Sales

Equipment, accessories and computer sales revenues primarily include revenues from the sale of handsets, accessories and other equipment.

Other Services

Other services include revenues from other businesses, such as telephone directories, call center services, wireless security services, advertising, media and software development services.

OTT Services

We sell video, audio and other media content that is delivered through the internet directly from the content provider to the viewer or end user. Our most important service is ClaroVideo, an on-demand internet streaming video provider with more than 25,000 content titles sold across all the Latin American and Caribbean markets in which we operate. We offer bundled packages of ClaroVideo, which may include:

- Subscription video on demand, providing unlimited access to a catalogue of over 15,000 titles for a fixed monthly subscription fee;
- Transactional video on demand and electronic sell-through, offering the option to rent or buy new content releases; and
- Add-on services such as subscription and other OTT services through a platform payment system, including access to FOX, HBO, Noggin, Paramount+, among others.

We also offer an advertised and unlimited music streaming and downloading service in 16 countries in Latin America and Europe through ClaroMúsica, with access to approximately 50 million titles across all music genres.

Services and Products by Country

The following table is a summary of our principal services rendered and products produced as of December 31, 2019 in the countries in which we operate.

	WIRELESS VOICE, DATA AND VALUE ADDED SERVICES(1)	FIXED VOICE, BROADBAND, DATA AND IT SERVICES(2)	PAY TV	OTT SERVICES(3)
Argentina	✓	✓	✓	✓
Austria	✓	✓	✓	✓
Belarus	✓	✓	✓	✓
Brazil	✓	✓	✓	✓
Bulgaria	✓	✓	✓	✓
Chile	✓	✓	✓	✓
Colombia	✓	✓	✓	✓
Costa Rica	✓	✓	✓	✓
Croatia	✓	✓	✓	✓
Dominican Republic	✓	✓	✓	✓
Ecuador	✓	✓	✓	✓
El Salvador	✓	✓	✓	✓
Guatemala	✓	✓	✓	✓
Honduras	✓	✓	✓	✓
Macedonia	✓	✓	✓	✓
Mexico	✓	✓		✓ (4)
Nicaragua	✓	✓	✓	✓
Panama	✓	✓	✓	✓
Paraguay	✓	✓	✓	✓
Peru	✓	✓	✓	✓
Puerto Rico	✓	✓	✓	✓
Serbia	✓			✓
Slovenia	✓	✓	✓	✓
Uruguay	✓			✓
United States	✓			

(1) Includes voice communication and international roaming services, interconnection and termination services, SMS, MMS, e-mail, mobile browsing, entertainment and gaming applications.
(2) Includes local calls, national and international long distance.
(3) Includes ClaroVideo and ClaroMúsica.
(4) Services provided by non-concessionaire subsidiaries.

OUR NETWORKS

Our networks are one of our main competitive advantages. Today, we own and operate one of the largest integrated platforms based on our covered population across 17 countries in Latin America and are in the process of expanding our network in Europe.

INFRASTRUCTURE

For the year ended December 31, 2019, our capital expenditures totaled Ps.151.8 billion, which allowed us to increase our network, to expand our capacity and to upgrade our systems to operate with the latest technologies. With fully convergent platforms, we are able to deliver high- quality voice, video and data products.

As of December 31, 2019, the main components of our infrastructure were comprised of:

- Cell sites**:** 256,514 sites with 2G, 3G and 4G technologies (of which approximately 68% are equipped with 3G and 4G capabilities) across Latin America and Europe. Additionally, we have been expanding our coverage and improving quality and speed with a number of street cells and indoor solutions.
- Fiber-optic network: More than 923 thousand km. Our network passed approximately 79 million homes.
- Submarine cable system: Capacity of more than 189 thousand km in submarine cable, including the AM-1 submarine cable that extends 17,500 km and connects the United States to Central and South America with 11 landing points and provides international connectivity to all of our subsidiaries in these geographic areas.
- Satellites: Six. Star One S.A. ("Star One") has the most extensive satellite system in Latin America, with a fleet that covers the United States, Mexico, Central America and South America. We use these satellites to supply capacity for DTH services for Claro TV throughout Brazil and in other DTH Operations, as well as cellular backhaul, video broadcast and corporate data networks. In 2015 and 2016, we launched the Star One D1 and the Star One C4 to replace two limited capacity satellites.
- Data centers: 30. We use our data centers to manage a number of cloud solutions, such as Infrastructure as a Service ("IAAS"), Software as a Service ("SAAS"), security solutions and unified communications.

In the United States, we do not own any wireless telecommunications facilities or hold any wireless spectrum licenses. Instead, we purchase airtime through agreements with wireless service providers and resell airtime to customers. Through these agreements, we have a nationwide "virtual" network, covering almost all areas in which wireless services are available.

TECHNOLOGY

Our primary wireless networks use GSM/EDGE, 3G and 4G LTE technologies, which we offer in most of the countries where we operate. We aim to increase the speed of transmission of our data services and have been expanding our 3G and 4G LTE coverage.

We transmit wireless calls and data through radio frequencies that we use under spectrum licenses. Spectrum is a limited resource, and, as a result, we may face spectrum and capacity constraints on our wireless network. We continue to invest significant capital in expanding our network capacity and reach and to address spectrum and capacity constraints on a market-by-market basis.

The table below presents a summary of the population covered by our network, by country, as of December 31, 2019.

	GENERATION TECHNOLOGY		
	GSM	UMTS	LTE
	(% of covered population)		
Argentina	98%	91%	92%
Austria	100%	97%	99%
Belarus	99%	99%	-
Brazil	94%	95%	86%
Bulgaria	100%	100%	99%
Chile	98%	97%	96%
Colombia	91%	80%	71%
Costa Rica	87%	81%	70%
Croatia	99%	99%	99%
Dominican Republic	100%	99%	95%
Ecuador	96%	79%	69%
El Salvador	91%	85%	65%
Guatemala	89%	85%	71%
Honduras	86%	81%	58%
Macedonia	100%	100%	100%
Mexico	93%	94%	90%
Nicaragua	85%	80%	49%
Panama	84%	84%	70%
Paraguay	76%	74%	68%
Peru	87%	81%	75%
Puerto Rico	80%	97%	89%
Serbia	99%	98%	98%
Slovenia	100%	100%	99%
Uruguay	96%	91%	80%

OUR COMPETITORS

We operate in an intensely competitive industry. Competitive factors within our industry include pricing, brand recognition, service and product offerings, customer experience, network coverage and quality, development and deployment of technologies, availability of additional spectrum licenses and regulatory developments.

Our principal competitors differ, depending on the geographical market and the types of service we offer. We compete against other providers, of wireless, broadband and Pay TV that operate on a multi-national level, such as AT&T Inc., Teléfonica and Millicom, as well as various providers that operate on a nationwide level, such as Telecom Argentina and Telecom Italia. Competition remains intense as a result of saturation in the fixed and wireless market, increased network investment by our competitors, the development and deployment of new technologies, the introduction of new products and services, new market entrants, the availability of additional spectrum, both licensed and unlicensed, and regulatory changes.

The effects of competition on our subsidiaries depend, in part, on the size, service offerings, financial strength and business strategies of their competitors, regulatory developments and the general economic and business climate in the countries in which they operate, including demand growth, interest rates, inflation and exchange rates. The effects could include loss of market share and pressure to reduce rates. See “Regulation” under Part VI and “Risk Factors” under Part III of this annual report.

ACQUISITIONS, OTHER INVESTMENTS AND DIVESTITURES

Geographic diversification has been a key to our financial success, as it has provided for greater stability in our cash flow and profitability and has contributed to our strong credit ratings. In recent years, we have been evaluating the expansion of our operations to regions outside of Latin America. We believe that Europe and other areas beyond Latin America present opportunities for investment in the telecommunications sector that could benefit us and our shareholders over the long term.

We continue to seek ways to optimize our portfolio, including by finding investment opportunities in telecommunications and related companies worldwide, including in markets where we are already present, and we often have several possible acquisitions under consideration. We may pursue opportunities in Latin America or in other areas in the world. Some of the assets that we acquire may require significant funding for capital expenditures. We can give no assurance as to the extent, timing or cost of such investments. We also periodically evaluate opportunities for dispositions, in particular for businesses and in geographies that we no longer consider strategic.

We continue to make incremental acquisitions in areas that we consider accretive to our existing operations. The following are recent significant acquisitions:

- On December 18, 2019, we completed the acquisition of 100% of Nextel Telecomunicações Ltda. and its subsidiaries (“Nextel Brazil”) from NII Holdings, Inc. and certain of its affiliates (“NII”) and AI Brazil Holdings B.V. Nextel Brazil provides nationwide mobile telecommunications services. With this transaction, we consolidate our operations as one of the leading telecommunication service providers in Brazil, strengthening our mobile network capacity, spectrum portfolio, subscriber base, coverage and quality, particularly in the cities of São Paulo and Rio de Janeiro, the main markets in Brazil. The adjusted amount paid for the business acquisition was U.S.$948.5 million on a cash-free and debt- free basis.
- On January 24, 2019, we completed the acquisition of 100% of Telefónica Móviles Guatemala, S.A (“Telefónica Guatemala”) from Telefónica S.A. and certain of its affiliates. We paid U.S.$333 million, net of acquired cash, for Telefónica Guatemala.
- On January 24, 2019, we entered into an agreement to acquire 99.3% of Telefónica Móviles Salvador, S.A. de C.V. (“Telefónica El Salvador”) for U.S.$315 million. The completion of the acquisition of Telefónica El Salvador is subject to certain customary closing conditions, including regulatory approval.

For additional information on our acquisitions and investments, see Recent Developments above and note 12 to our audited consolidated financial statements included in this annual report.

MARKETING, SALES AND DISTRIBUTION, CUSTOMER SERVICES

MARKETING

We advertise our services and products through different channels with consistent and distinct branding and targeted marketing. We advertise via print, radio, television, digital media, sports event sponsorships and other outdoor advertising campaigns. In 2019, our efforts were mainly focused on promoting our 4.5G LTE services, leveraging the speed and quality of our networks and our fixed bundled offers, which compete on broadband speed and premium content.

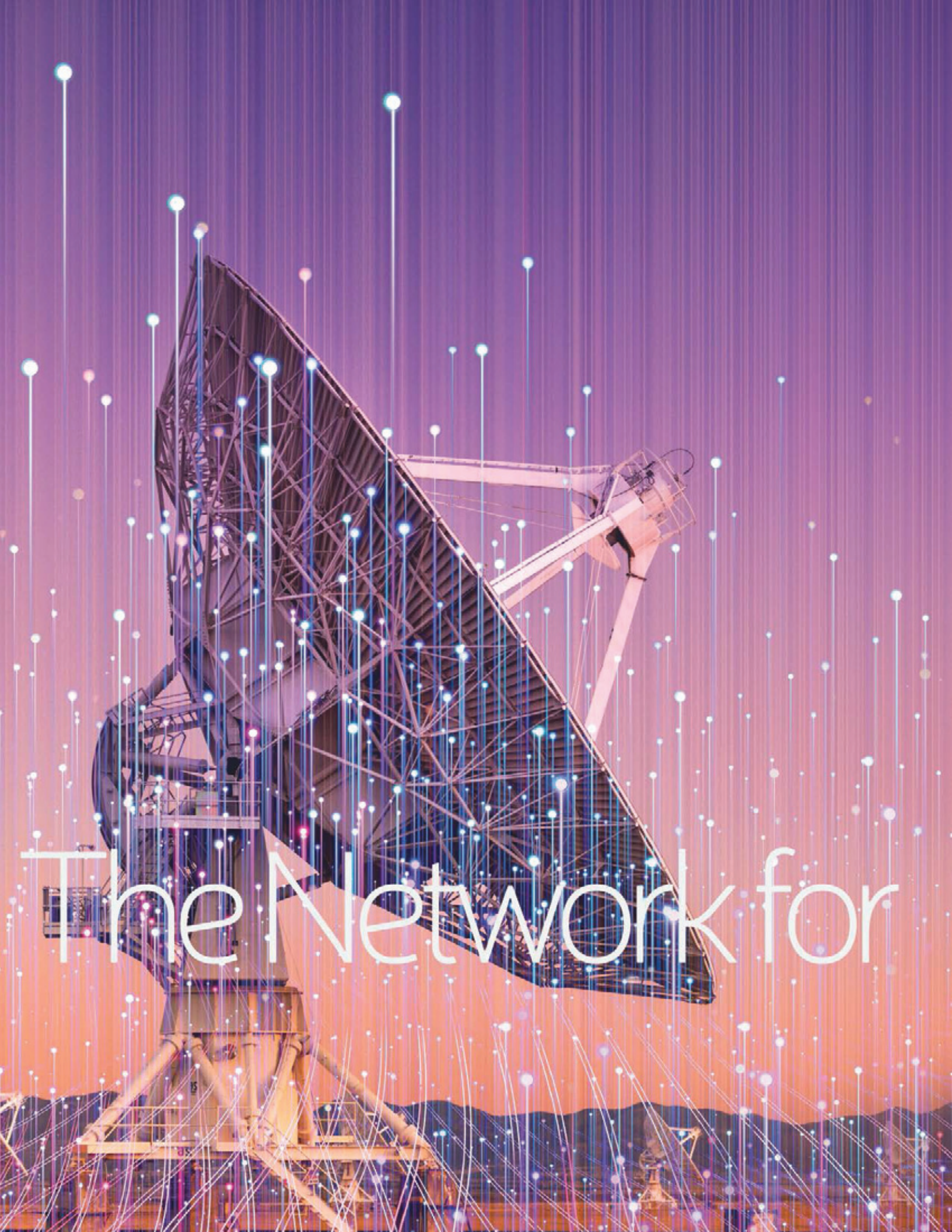
We build on the strength of our well-recognized brand names to increase consumer awareness and customer loyalty. Building brand recognition is crucial for our business, and we have managed to position our brands as those of a premium carrier in most countries where we operate. For example, Claro and Telcel are the most valuable telecom brands in the Latin America region, according to the Telecoms 300 2019 report by Brand Finance. BrandZ's Top 50 Most Valuable Latin American Brands 2019 list ranked Telcel among the top five brands in Latin America. In the same year, BrandZ also named Telcel as the highest recognized telecom brand in Mexico, and Telcel and Claro as two of the highest-ranked telecom brands in Latin America. In addition, a year-end 2019 study by Austrian Brand Monitor found that A1, the brand name behind Telekom Austria, ranked number one in the Austrian telecommunications market for brand awareness, as well as for brand perception as a premium brand.

SALES AND DISTRIBUTION

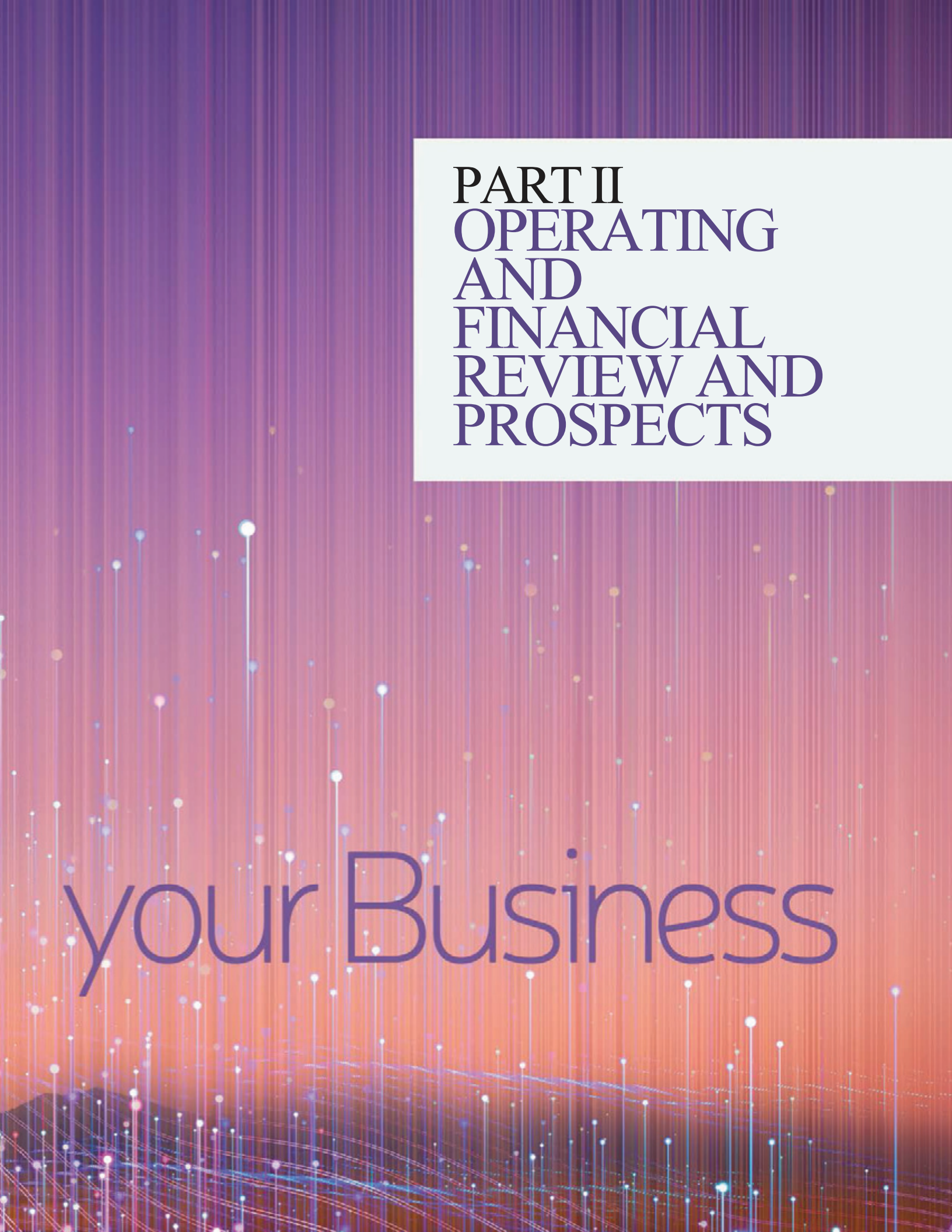
Our extensive sales and distribution channels help us attract new customers and develop new business opportunities. We primarily sell our services and products through a network of retailers and service centers for retail customers and a dedicated sales force for corporate customers, with more than 490,000 points of sale and almost 2,900 customer service centers. Our subsidiaries also sell their services and products online.

CUSTOMER SERVICES

We give priority to providing our customers with quality customer care and support, with approximately 113,000 employees dedicated to customer service. We focus our efforts on constantly improving our customers' experience by leveraging our commercial offerings and our sales and distribution networks. Customers may make inquiries by calling a toll-free telephone number, accessing our subsidiaries' web sites and social media accounts or visiting one of the customer sales and service centers located throughout the countries we serve.


The Network for

PART II
OPERATING AND FINANCIAL REVIEW AND PROSPECTS



OVERVIEW

INTRODUCTION

COVID-19

The unprecedented health crisis arising from the spread of the Coronavirus will result in a severe global economic downturn that will impact most countries substantially, according to the forecasts of various international banks and multilateral institutions. There is no clarity as to its overall duration and magnitude or its impact in the countries where we operate.

The nature of the crisis, the public health measures to contain it, and the economic impact are all developing rapidly, and they vary among the different jurisdictions where we operate. The effects on our business and our financial performance remain highly uncertain.

Segments

We have operations in 25 countries, which are aggregated for financial reporting purposes into ten reportable segments. Our operations in Mexico are presented in two segments—Mexico Wireless and Mexico Fixed, which consist principally of Telcel and Telmex, respectively. Our headquarters operations are allocated to the Mexico Wireless segment. Financial information about our segments is presented in note 23 to our audited consolidated financial statements included in this annual report.

The factors that drive our financial performance differ in the various countries where we operate, including subscriber acquisition costs, the competitive landscape, the regulatory environment, economic factors and interconnection rates, among others. Accordingly, our results of operations in each period reflect a combination of these effects on our different segments.

Constant Currency Presentation

Our financial statements are presented in Mexican pesos, but our operations outside Mexico account for a significant portion of our revenues. Currency variations between the Mexican peso and the currencies of our non- Mexican subsidiaries, especially the Euro, U.S. dollar, Brazilian real, Colombian and Argentine peso, affect our results of operations as reported in Mexican pesos. In the following discussion regarding our operating results, we include a discussion of the change in the different components of our revenues between periods at constant exchange rates, i.e., using the same exchange rate to translate the local-currency results of our non- Mexican operations for both periods. We believe that this additional information helps investors better understand the performance of our non-Mexican operations and their contribution to our consolidated results.

Effects of Exchange Rates

Our results of operations are affected by changes in currency exchange rates. In 2019 compared to 2018, the Mexican peso was stronger against some of our operating currencies, including the Brazilian Real, the Argentine Peso, the U.S. Dollar and the Euro.

Since most of our debt is issued by América Móvil out of Mexico, to the extent that our functional currency, the Mexican peso, appreciates or depreciates against the currencies in which our indebtedness is denominated, we may incur foreign exchange gains or losses that are recorded as other comprehensive income in our consolidated statements of financial position.

Changes in exchange rates also affect the fair value of derivative financial instruments that we use to manage our currency-risk exposure, which are generally not accounted for as hedging instruments. In 2019, the Mexican peso strengthened against the currencies in which most of our indebtedness is denominated, and we recorded net foreign exchange gains of Ps.5.2 billion and net fair value gains on derivatives of Ps.4.4 billion. In 2018, the Mexican peso and the Brazilian real weakened against the currencies in which most of our indebtedness is denominated, and we recorded net foreign exchange losses of Ps.7.3 billion and net fair value losses on derivatives of Ps.4.7 billion. See note 7 to our audited consolidated financial statements included in this annual report.

Recent Changes in Accounting Standards

We have adopted IFRS 16 on leasing as of January 1, 2019 using the modified retrospective method. The implementation of IFRS 16 had a significant impact on our consolidated statements of financial position by requiring that we recognize right-of-use assets and lease liabilities. In our consolidated statements of comprehensive income, the new standard increases interest expense and depreciation and reduces other operating costs, without a significant impact on net income. Our financial statements as of the year ended December 31, 2018 have not been restated, and the reclassifications and adjustments arising from the adoption of IFRS 16 may affect the comparability of our financial statements for the year ended December 31, 2019. For more information, see note 2 a) i) to our audited consolidated financial statements included in this annual report.

We have adopted IFRIC 23 in 2019. IFRIC 23 is an interpretation by the International Accounting Standards Board that addresses the accounting for income taxes when tax

treatments involve uncertainty that affects the application of IAS 12. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on our consolidated financial statements.

Effects of Regulation

We operate in a regulated industry. Our results of operations and financial condition have been, and will continue to be, affected by regulatory actions and changes. Significant regulatory developments are presented in more detail in "Regulation" under Part VI and "Risk Factors" under Part III of this annual report.

COMPOSITION OF OPERATING REVENUES

In 2019, our total operating revenues were Ps.1,007 billion.

Revenues from wireless and fixed voice services primarily include charges from monthly subscriptions, usage charges billed to customers and usage charges billed to other service providers for calls completed on our network. The primary drivers of revenues from monthly subscription charges are the number of total RGUs and the prices of our service packages. The primary driver of revenues from usage charges (airtime, international and long-distance calls and interconnection costs) is traffic, which is represented by the number of total RGUs and their average usage.

Revenues from wireless and fixed data services primarily include charges for data, cloud, internet and OTT services and the usage from our data centers. In addition, revenues from value-added services and IT solutions to corporate clients contribute to our results for wireless and fixed data services, respectively. Revenues from IT solutions to our corporate clients mainly consist of revenues from installing and leasing dedicated links and revenues from VPN services.

Pay TV revenues consist primarily of charges from subscription services, additional programming, including on-demand programming, and advertising.

Equipment, accessories and computer sales revenues primarily include revenues from the sale of handsets, accessories and other equipment such as office equipment, household appliances and electronics. Most of our sales in handsets are driven by the number of new customers and contract renewals.

Other services primarily include revenues from other businesses, such as advertising and news companies, entertainment content distribution, telephone directories, call center services, wireless security services, network infrastructure services and a software development company.

Seasonality of our Business

Our business is subject to a certain degree of seasonality, characterized by a higher number of new customers during the fourth quarter of each year. We believe this seasonality is mainly driven by the Christmas shopping season. Revenue also tends to decrease during the months of August and September, when family expenses shift towards school supplies in many of the countries in which we operate, mainly Mexico.

General Trends Affecting Operating Results

Our results of operations in 2019 reflected several continuing long-term trends, including:

- intense competition, with growing costs for marketing and subscriber acquisition and retention, as well as declining customer prices;
- developments in the telecommunications regulatory environment;
- growing demand for data services over fixed and wireless networks, as well as for smartphones and devices with data service capabilities;
- declining demand for voice services; and
- growing operating costs reflecting, among other things, higher costs for Pay TV, customer care services and managing larger and more complex networks.

These trends are broadly characteristic of our businesses in all regions in recent years, and they have affected comparable telecommunications providers as well. Our performance in recent years has also been affected by ongoing regulatory changes in Mexico.

RESULTS OF OPERATIONS

CONSOLIDATED RESULTS OF OPERATIONS FOR 2019 AND 2018

Operating Revenues

Total operating revenues for 2019 decreased by 3.0%, or Ps.30.8 billion, over 2018. At constant exchange rates, total operating revenues for 2019 increased by 2.3% over 2018. This increase principally reflects increases in revenues from our mobile, corporate networks, broadband and sales of equipment, which were partially offset by a decrease in revenues from Pay TV services and long distance.

REVENUES SERVICES. Revenues services for 2019 decreased by 3.4%, or Ps.29.2 billion, over 2018. At constant exchange rates, revenues services for 2019 increased by 2.1% over 2018. This increase principally reflects increases in revenues from our mobile services (prepaid and postpaid), fixed broadband and corporate networks, which were partially offset by a decrease in revenues from our Pay TV services in Brazil.

SALES OF EQUIPMENT, ACCESSORIES AND COMPUTERS. Sales of equipment, accessories and computer sales revenues for 2019 decreased by 0.9%, or Ps.1.5 billion, over 2018. At constant exchange rates, revenues from sales of equipment, accessories and computer sales for 2019 increased by 3.6% over 2018. This increase principally reflects higher sales of smartphones, data-enabled devices and accessories.

Operating Costs and Expenses

COST OF SALES. Cost of sales was Ps.174.5 billion for 2019, a decrease of 3.0% from Ps.180.0 billion in 2018. At constant exchange rates, cost of sales for 2019 increased by 0.8% over 2018. This increase principally reflects sales of higher-end smartphones and an increase in handset financing plans.

COST OF SERVICES. Cost of services was Ps.297.1 billion for 2019, a decrease of 9.6% from Ps.328.8 billion in 2018. At constant exchange rates, cost of services for 2019 decreased by 5.5% over 2018. This decrease principally reflects the adoption of IFRS 16 and the implementation of our corporate cost savings program in all the countries in which we operate.

COMMERCIAL, ADMINISTRATIVE AND GENERAL EXPENSES. Commercial, administrative and general expenses for 2019 decreased by 4.9%, or Ps.11.1 billion, over 2018. As a percentage of operating revenues, commercial, administrative and general expenses were 21.4% for 2019, as compared to 21.9% for 2018. At constant exchange rates, commercial, administrative and general expenses for 2019 increased by 0.9% over 2018. This increase principally reflects unusual expense items in Mexico, Austria and Brazil.

OTHER EXPENSES. Other expenses for 2019 decreased by Ps.1.0 billion over 2018, principally reflecting unusual expense items in 2018 resulting from the sale of fixed assets in Puerto Rico.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for 2019 increased by 2.1%, or Ps.3.2 billion, over 2018. As a percentage of operating revenues, depreciation and amortization was 15.8% for 2019, as compared to 15.0% for 2018. At constant exchange rates, depreciation and amortization for 2019 increased by 7.3% over 2018. Not taking into account the effects of IFRS 16, depreciation and amortization decreased by 8.3% in 2019 at constant exchange rates, principally as a result of changes in the useful lives of assets in Brazil.

Operating Income

Operating income for 2019 increased by 11.0%, or Ps.15.2 billion, over 2018. Operating margin (operating income as a percentage of operating revenues) was 15.4% for 2019, as compared to 13.4% for 2018.

Non-Operating Items

NET INTEREST EXPENSE. Net interest expense (interest expense less interest income) for 2019 increased by 49.7%, or Ps.10.5 billion, over 2018. Without the effects of IFRS 16, the impact would have been an increase of 12.1% in net interest expense.

FOREIGN CURRENCY EXCHANGE GAIN, NET. We recorded a net foreign currency exchange gains of Ps.5.2 billion for 2019, compared to our net foreign currency exchange loss of Ps.7.3 billion for 2018. The gain principally reflects the depreciation of some of the currencies in which our indebtedness is denominated, particularly the Euro and the dollar.

VALUATION OF DERIVATIVES, INTEREST COST FROM LABOR OBLIGATIONS AND OTHER FINANCIAL ITEMS, NET. We recorded a net loss of Ps.7.1 billion for 2019 on the valuation of derivatives, interest cost from labor obligations and other financial items, net, compared to a net loss of Ps.10.2 billion for 2018. The change in 2019 principally reflects a derivatives gain. See note 22 to our audited consolidated financial statements included in this annual report.

INCOME TAX. Our income tax expense for 2019 increased by 9.8%, or Ps.4.5 billion, over 2018. This increase principally reflects higher profit before income due to a foreign exchange gain in 2019 compared to 2018.

Our effective corporate income tax rate as a percentage of profit before income tax was 42.1% for 2019, compared to 46.0% for 2018. This rate differed from the Mexican statutory rate of 30% and changed year over year principally as a result of changes in permanent items such as local tax inflation effects and other impacts of non-taxable items.

Net Profit

We recorded a net profit of Ps.70.3 billion for 2019, an increase of 29.0%, or Ps.15.8 billion, over 2018.

CONSOLIDATED RESULTS OF OPERATIONS FOR 2018 AND 2017

Operating Revenues

Total operating revenues for 2018 increased by 1.6%, or Ps.16.6 billion, over 2017. At constant exchange rates, total operating revenues for 2018 increased by 3.5% over 2017. This increase principally reflects increases in revenues from our mobile and fixed data services, and equipment, accessories and computer sales operations, which were partially offset by a decrease in revenues from our mobile and fixed voice services.

REVENUES SERVICES. Revenues services for 2018 decreased by 1.7%, or Ps.14.8 billion, over 2017. At constant exchange rates, revenues services for 2018 increased by 0.5% over 2017. This increase principally reflects increases in revenues from our mobile voice and fixed and mobile data services, which were partially offset by a decrease in revenues from our fixed voice services.

SALES OF EQUIPMENT, ACCESSORIES AND COMPUTERS. Sales of equipment, accessories and computer sales revenues for 2018 increased by 21.9%, or Ps.31.3 billion, over 2017. At constant exchange rates, revenues from sales of equipment, accessories and computer sales for 2018 increased by 22.1% over 2017. This increase principally reflects higher sales of data-enabled devices and accessories.

Operating Costs and Expenses

COST OF SALES. Cost of sales was Ps.180.0 billion for 2018, an increase of 5.8% from Ps.170.2 billion in 2017. At constant exchange rates, cost of sales for 2018 increased by 5.5% over 2017. This increase principally reflects sales of higher- end smartphones provided to our postpaid subscribers and an increase in handset financing plans.

COST OF SERVICES. Cost of services was Ps.328.8 billion for IT services, as well as TV content acquisition, which was partially offset by our corporate cost savings program.

COMMERCIAL, ADMINISTRATIVE AND GENERAL EXPENSES. Commercial, administrative and general expenses for 2018 decreased by 5.6%, or Ps.13.4 billion, over 2017. As a percentage of operating revenues, commercial, administrative and general expenses were 21.9% for 2018, as compared to 23.6% for 2017. At constant exchange rates, commercial, administrative and general expenses for 2018 decreased by 3.8% over 2017. This decrease principally reflects a decrease in costs related to customer services, systems development and local taxes.

OTHER EXPENSES. Other expenses for 2018 decreased by Ps.17.4 billion over 2017, principally reflecting the payment in 2017 of an arbitration award granted in Colombia.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for 2018 decreased by 2.8%, or Ps.4.5 billion, over 2017. As a percentage of operating revenues, depreciation and amortization was 15.0% for 2018, as compared to 15.7% for 2017. At constant exchange rates, depreciation and amortization for 2018 decreased by 1.8% over 2017.

RESULTS OF OPERATIONS

Operating Income

Operating income for 2018 increased by 39.4%, or Ps.39.4 billion, over 2017. Operating margin (operating income as a percentage of operating revenues) was 13.4% for 2018, as compared to 9.8% for 2017.

Non-Operating Items

NET INTEREST EXPENSE. Net interest expense (interest expense less interest income) for 2018 decreased by 22.8%, or Ps.6.3 billion, over 2017. This decrease principally reflects the favorable resolution of certain tax contingencies.

FOREIGN CURRENCY EXCHANGE LOSS, NET. We recorded a net foreign currency exchange loss of Ps.7.3 billion for 2018, compared to our net foreign currency exchange loss of Ps.13.8 billion for 2017. The loss principally reflects the depreciation of some of the currencies in which our indebtedness is denominated, particularly the Euro and the pound sterling.

VALUATION OF DERIVATIVES, INTEREST COST FROM LABOR OBLIGATIONS AND OTHER FINANCIAL ITEMS, NET. We recorded a loss of Ps.10.2 billion for 2018 on the valuation of derivatives, interest cost from labor obligations and other financial items, net, compared to a loss of Ps.1.9 billion for 2017. The loss in 2018 principally reflects a derivatives loss, which was partially offset by gains in our monetary position.

INCOME TAX. Our income tax expense for 2018 increased by 86.3%, or Ps.21.5 billion, over 2017. This increase principally reflects higher pretax income due to a smaller foreign exchange loss in 2018 compared to 2017.

Our effective corporate income tax rate as a percentage of profit before income tax was 46.0% for 2018, compared to 43.7% for 2017. This rate differed from the Mexican statutory rate of 30% and changed year over year principally as a result of changes in permanent items such as local tax inflation effects and other impacts of non-taxable items.

Net Profit

We recorded a net profit of Ps.54.5 billion for 2018, an increase of 69.5%, or Ps.22.4 billion, over 2017.

SEGMENT RESULTS OF OPERATIONS

We discuss below the operating results of each reportable segment. Notes 2. z) and 23 to our audited consolidated financial statements describe how we translate the financial statements of our non-Mexican subsidiaries.

Exchange rate changes between the Mexican peso and the currencies in which our subsidiaries operate affect our reported results in Mexican pesos and the comparability of reported results between periods.

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

MEXICAN PESOS PER FOREIGN CURRENCY UNIT (AVERAGE FOR THE PERIOD)					
		2017/2018		2018/2019	
	2017	% CHANGE	2018	% CHANGE	2019
Brazilian real	5.9346	(10.8)	5.2937	(7.6)	4.8907
Colombian peso	0.0064	1.6	0.0065	(9.2)	0.0059
Argentine peso	1.1489	(36.4)	0.7311	(43.8)	0.4110
U.S. dollar	18.9400	1.6	19.2397	0.1	19.2641
Euro	21.3649	6.3	22.7093	(5.0)	21.5642

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

YEAR ENDED DECEMBER 31, 2019				
	OPERATING REVENUES		OPERATING INCOME	
	(in millions of Mexican pesos)	(as a% of total operating revenues)	(in millions of (Mexican pesos)	(as a% of total operating income)
Mexico Wireless	Ps. 237,840	23.6%	Ps. 67,694	43.7%
Mexico Fixed	96,037	9.5	9,732	6.3
Brazil	181,778	18.0	28,847	18.6
Colombia	74,636	7.4	15,325	9.9
Southern Cone	65,272	6.5	4,008	2.6
Andean Region	55,533	5.5	8,023	5.2
Central America	46,734	4.6	5,712	3.7
United States	155,864	15.5	2,968	1.9
Caribbean	35,718	3.5	5,741	3.7
Europe	98,420	9.8	8,688	5.6
Eliminations	(40,484)	(3.9)	(1,897)	(1.2)
Total	**Ps. 1,007,348**	**100%**	**Ps. 154,841**	**100%**

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER31, 2018				
	OPERATING REVENUES		OPERATING INCOME	
	(in millions of Mexican pesos)	(as a% of total operating revenues)	(in millions of Mexican pesos)	(as a% of total operating income)
Mexico Wireless	Ps. 224,557	21.6%	Ps. 57,451	41.2%
Mexico Fixed	96,081	9.3	8,086	5.8
Brazil	193,306	18.6	23,495	16.8
Colombia	75,805	7.3	14,389	10.3
Southern Cone	102,350	9.9	16,976	12.2
Andean Region	55,787	5.4	5,004	3.6
Central America	45,033	4.3	4,868	3.5
United States	153,266	14.8	2,665	1.9
Caribbean	36,640	3.5	5,812	4.2
Europe	100,716	9.7	4,732	3.4
Eliminations	(45,333)	(4.4)	(3,921)	(2.9)
Total	**Ps. 1,038,208**	**100.0%**	**Ps. 139,557**	**100.0%**

YEAR ENDED DECEMBER 31, 2017				
	OPERATING REVENUES		OPERATING INCOME	
	(in millions of Mexican pesos)	(as a % of total operating revenues)	(in millions of Mexican pesos)	(as a % of total operating income)
Mexico Wireless	Ps. 206,771	20.2%	Ps. 50,666	50.6%
Mexico Fixed	98,485	9.6	7,922	7.9
Brazil	215,322	21.1	11,601	11.6
Colombia	72,740	7.1	(4,704)	(4.7)
Southern Cone	82,344	8.1	11,676	11.7
Andean Region	56,571	5.5	5,650	5.6
Central America	44,282	4.3	5,252	5.2
United States	148,590	14.5	2,915	2.9
Caribbean	35,215	3.4	4,752	4.7
Europe	93,644	9.2	4,524	4.5
Eliminations	(32,330)	(3.0)	(111)	(0.0)
Total	**Ps. 1,021,634**	**100.0%**	**Ps. 100,143**	**100.0%**

INTERPERIOD SEGMENT COMPARISONS

The following discussion addresses the financial performance of each of our reportable segments, first by comparing results for 2019 and 2018 and then by comparing results for 2018 and 2017.

In the year-to- year comparisons for each segment, we include percentage changes in operating revenues, percentage changes in operating income and operating margin (operating income as a percentage of operating revenues), in each case calculated based on the segment financial information presented in Note 23 to our audited consolidated financial statements, which is prepared in accordance with IFRS.

Each reportable segment includes all income, cost and expense eliminations that occurred between subsidiaries within the reportable segment. The Mexico Wireless segment also includes corporate income, costs and expenses.

Comparisons in the following discussion are calculated using figures in Mexican pesos. We also include percentage changes in adjusted segment operating revenues, adjusted segment operating income and adjusted operating margin (adjusted operating income as a percentage of adjusted operating revenues). The adjustments eliminate (i) certain intersegment transactions, (ii) for our non-Mexican segments, the effects of exchange rate changes and (iii) for the Mexican Wireless segment only, revenues and costs of group corporate activities and other businesses that are allocated to the Mexico Wireless segment.

2019 COMPARED TO 2018

Mexico Wireless

The number of prepaid wireless subscribers for 2019 increased by 1.0% over 2018, and the number of postpaid wireless subscribers increased by 6.2%, resulting in an increase in the total number of wireless subscribers in Mexico of 1.9%, or 1.5 million, to approximately 77.0 million as of December 31, 2019.

Segment operating revenues for 2019 increased by 5.9% over 2018. Adjusted segment operating revenues for 2019 increased by 6.5% over 2018. This increase in segment operating revenues principally reflects an increase in mobile data revenues, which were partially offset by a decrease in wireless voice revenues.

Segment operating income for 2019 increased by 17.8% over 2018. Adjusted segment operating income for 2019 increased by 20.3% over 2018.

Segment operating margin was 28.5% in 2019, as compared to 25.6% in 2018. Adjusted segment operating margin for this segment was 35.1% in 2019, as compared to 31.1% in 2018. This increase in segment operating margin for 2019 principally reflects our corporate costs savings program in operations, networks and maintenance, which we successfully implemented without affecting the quality of our services and coverage.

Mexico Fixed

The number of fixed voice RGUs in Mexico for 2019 decreased by 3.3% over 2018, and the number of broadband RGUs in Mexico increased by 0.7%, resulting in a decrease in total fixed RGUs in Mexico of 1.5% over 2018, or 345 thousand, to approximately 22.0 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 0.05% over 2018. Adjusted segment operating revenues for 2019 decreased by 2.5% over 2018. This decrease in segment operating revenues principally reflects a decrease in fixed voice revenues of 5.6%, driven by RGU disconnections, which was partially offset by higher revenues from corporate networks services and broadband.

Segment operating income for 2019 increased by 20.4% over 2018. Adjusted segment operating income for 2019 decreased by 34.5% over 2018. This decrease principally reflects increases in the contractual salary increases to our employees, and higher information technology and customer service costs.

Segment operating margin was 10.1% in 2019, as compared to 8.4% in 2018. Adjusted segment operating margin was 2.5% in 2019, as compared to 3.7% in 2018. This decrease in segment operating margin for 2019 principally reflects increases in costs associated with customer service and service quality improvements, as well as networks maintenance. Such costs were principally attributable to increased labor costs.

Brazil

The number of prepaid wireless subscribers for 2019 decreased by 18.0% over 2018, and the number of postpaid wireless subscribers increased by 17.0%, resulting in a decrease in the total number of wireless subscribers in Brazil of 3.4%, or 1.9 million, to approximately 54.5 million as of December 31, 2019. The number of fixed voice RGUs for 2019 decreased by 5.2% over 2018, the number of broadband RGUs decreased by 1.9%, and the number of Pay TV RGUs decreased by 5.7%, resulting in a decrease in total fixed RGUs in Brazil of 3.5%, or 1.2 million, to approximately 34.0 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 6.0% over 2018. Adjusted segment operating revenues for 2019 increased by 1.9% over 2018. This increase in segment operating revenues principally reflects higher mobile data and fixed data revenues of 17.0% and 7.7%, respectively, in 2019 over 2018. The increase in mobile data revenues in 2019 principally reflects the increased usage of social networking platforms, cloud services and content, and fixed data revenues increased principally due to an increase in broadband RGUs and corporate network services. The increase in segment operating revenues was partially offset by a decrease in mobile voice, fixed voice and Pay TV revenues of 6.6%, 12.0% and 7.6%, respectively, in 2019 over 2018, driven by RGUs disconnections and lower traffic.

Segment operating income for 2019 increased by 22.8% over 2018. Adjusted segment operating income for 2019 increased by 36.0% over 2018.

Segment operating margin was 15.9% in 2019, as compared to 12.2% in 2018. Adjusted segment operating margin was 15.1% in 2019, as compared to 11.3% in 2018. This increase in segment operating margin for 2019 principally reflects improved cost management as a result of our cost savings program.

Colombia

The number of prepaid wireless subscribers for 2019 increased by 4.4% over 2018, and the number of postpaid wireless subscribers increased by 6.0%, resulting in an increase in the total number of wireless subscribers in Colombia of 4.8%, or 1.4 million, to approximately 31.1 million as of December 31, 2019. The number of fixed voice RGUs for 2019 increased by 7.3% over 2018, the number of broadband RGUs increased by 6.6% and the number of Pay TV RGUs increased by 4.7%, resulting in an increase in total fixed RGUs in Colombia of 6.2%, or 441 thousand, to approximately 7.6 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 1.5% over 2018. Adjusted segment operating revenues for 2019 increased by 9.3% over 2018. This increase in segment operating revenues principally reflects increases in fixed data revenues, mobile data revenues, both in prepaid and postpaid mobile data, and Pay TV revenues. The increase in segment operating revenues was partially offset by a decrease in long distance revenues.

Segment operating income for 2019 increased by 6.5% over 2018. Adjusted segment operating income for 2019 increased by 19.8% over 2018.

Segment operating margin was 20.5% in 2019, as compared to 19.0% in 2018. Adjusted segment operating margin was 25.6% in 2019, as compared to 23.3% in 2018. This increase in segment operating margin for 2019 principally reflects a decrease in costs and expenses under our cost savings program.

Southern Cone—Argentina, Chile, Paraguay and Uruguay

The number of prepaid wireless subscribers for 2019 increased by 1.2% over 2018, and the number of postpaid wireless subscribers increased by 2.8%, resulting in an increase in the total number of wireless subscribers in our Southern Cone segment of 1.7%, or 536 thousand, to approximately 31.5 million as of December 31, 2019. The number of fixed voice RGUs for 2019 increased by 19.5% over 2018, the number of broadband RGUs increased by 22.5%, and the number of Pay TV RGUs increased by 4.3%, resulting in an increase in total fixed RGUs in our Southern Cone segment of 14.4%, or 316 thousand, to approximately 2.5 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 36.2% over 2018. Adjusted segment operating revenues for 2019 decreased by 4.1% over 2018. This decrease principally reflects a decrease of 5.8% in adjusted operating revenues in Argentina, Paraguay and Uruguay. In Argentina, an

increase in fixed data, corporate networks and broadband, and fixed voice were offset by a decrease in mobile voice and data. For this segment, we analyze results in Argentina, Paraguay and Uruguay in terms of the Argentine peso, because Argentina accounts for the major portion of the operations in these three countries.

Segment operating income for 2019 decreased by 76.4% over 2018. Adjusted segment operating income for 2019 decreased by 4.7% over 2018. This decrease principally reflects a decline in operating income from our operations in Chile related to an interconnection rate reduction and a contraction of mobile services revenues due to competitive pressures. Additionally, services revenues declined in Argentina due to adverse economic conditions.

Segment operating margin was 6.1% in 2019, as compared to 16.6% in 2018. Adjusted segment operating margin was 18.5% in 2019, which decreased in comparison to 20.2% in 2018. This decrease in the segment operating margin for 2019 principally reflects a decrease in revenues coupled with an increase in costs and expenses, including higher wages and salaries and other expense items as a result of inflation or exchange rates.

Andean Region—Ecuador and Peru

The number of prepaid wireless subscribers for 2019 decreased by 2.6% over 2018, and the number of postpaid wireless subscribers increased by 1.6%, resulting in a decrease in the total number of wireless subscribers in our Andean Region segment of 1.2%, or 239 thousand, to approximately 20.1 million as of December 31, 2019. The number of fixed voice RGUs for 2019 increased by 2.0% over 2018, the number of broadband RGUs increased by 21.8% and the number of Pay TV RGUs increased by 5.5%, resulting in an increase in total fixed RGUs in our Andean Region segment of 10.4%, or 193 thousand, to approximately 2.0 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 0.5% over 2018. Adjusted segment operating revenues for 2019 increased by 0.4% over 2018. This increase principally reflects an increase of 0.9% in Ecuador and a decrease of 0.05% in Peru. This increase was driven by an increase in revenues from broadband and Pay TV services. Our fixed voice operations had a slight increase considering this a growing market in Ecuador. In Peru, fixed revenues increased, however, they were partially offset by lower revenues on mobile services.

Segment operating income for 2019 increased by 60.3% over 2018. Adjusted segment operating income for 2019 increased by 12.2% over 2018. This increase principally reflects an increase of 13.2% in Peru and an increase of 11.7% in Ecuador.

Segment operating margin was 14.4% in 2019, as compared to 9.0% in 2018. Adjusted segment operating margin was 17.1% in 2019, as compared to 15.1% in 2018. This increase in the segment operating margin for 2019 principally reflects gains from our cost savings program.

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

The number of prepaid wireless subscribers for 2019 increased by 8.0% over 2018, and the number of postpaid wireless subscribers increased by 7.0%, resulting in an increase in the total number of wireless subscribers in our Central America segment of 7.8%, or 1.1 million, to approximately 15.5 million as of December 31, 2019. The number of fixed voice RGUs for 2019 increased by 5.4% over 2018, the number of broadband RGUs decreased by 64.0% and the number of Pay TV RGUs increased by 1.4%, resulting in a decrease in total fixed RGUs in our Central America segment of 31.8%, or 2.0 million, to approximately 4.4 million as of December 31, 2019.

Segment operating revenues for 2019 increased by 3.8% over 2018. Adjusted segment operating revenues for 2019 decreased by 3.8% over 2018.

Segment operating income for 2019 increased by 17.3% over 2018. Adjusted segment operating income for 2019 increased by 28.1% over 2018. This increase principally reflects the acquisition of Telefónica Guatemala, partially offset by adverse business conditions, particularly in Nicaragua and El Salvador.

Segment operating margin was 12.2% in 2019, as compared to 10.8% in 2018. Adjusted segment operating margin was 13.7% in 2019, as compared to 12.2% in 2018. This increase in segment operating margin for 2019 principally reflects lower costs compared to 2018, including the one-time charge related to the settlement of an interconnection dispute in Guatemala and an unusual

charge arising from a government challenge to tax credits in Honduras in 2018.

Caribbean—Dominican Republic and Puerto Rico

The number of prepaid wireless subscribers for 2019 increased by 6.7% over 2018, and the number of postpaid wireless subscribers increased by 4.8%, resulting in an increase in the total number of wireless subscribers in our Caribbean segment of 6.1%, or 358 thousand, to approximately 6.2 million as of December 31, 2019. The number of fixed voice RGUs for 2019 decreased by 4.3% over 2018, the number of broadband RGUs increased by 3.1% and the number of Pay TV RGUs increased by 3.0%, resulting in a decrease in total fixed RGUs in our Caribbean segment of 0.7%, or 18 thousand, to approximately 2.5 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 2.5% over 2018. Adjusted segment operating revenues for 2019 decreased by 5.2% over 2018. This decrease in segment operating revenues principally reflects a decrease in revenues in Puerto Rico which resulted from extraordinary revenue items booked in 2018 from government aid received and insurance proceeds resulting from the effects of Hurricane Maria, which were substantially offset by an increase in all lines of revenues except in fixed voice revenues in the Dominican Republic. We analyze segment results in U.S. dollars because it is the functional currency of our operations in Puerto Rico, and the currency of the Dominican Republic is relatively stable against the U.S. dollar.

Segment operating income for 2019 decreased by 1.2% over 2018. Adjusted segment operating income for 2019 decreased by 17.6% over 2018. This decrease principally reflects a decrease of 1024.9% in Puerto Rico and an increase of 11.3% in the Dominican Republic.

Segment operating margin was 16.1% in 2019, as compared to 15.9% in 2018. Adjusted segment operating margin was 14.1% in 2019, as compared to 16.3% in 2018. This decrease in segment operating margin for 2019 principally reflects lower operating revenues in Puerto Rico, partially offset by increased revenues and our cost savings program in the Dominican Republic.

United States

The number of prepaid wireless subscribers for 2019 decreased by 3.7% over 2018, or 811 thousand, to approximately 20.9 million total wireless subscribers in the United States as of December 31, 2019.

Segment operating revenues for 2019 increased by 1.7% over 2018. Adjusted segment operating revenues for 2019 increased by 1.6% over 2018. This increase in segment operating revenues principally reflects higher mobile voice and data usage as the mix of clients continues to shift towards to our high-usage Tracfone brands.

Segment operating income for 2019 increased by 11.4% over 2018. Adjusted segment operating income for 2019 increased by 6.0% over 2018.

Segment operating margin was 1.9% in 2019, as compared to 1.7% in 2018. Adjusted segment operating margin was 7.1% in 2019, as compared to 6.8% in 2018. This increase in segment operating margin for 2019 principally reflects better controls over commercial, operational and administrative costs.

Europe

The number of prepaid wireless subscribers for 2019 decreased by 9.4% over 2018, and the number of postpaid wireless subscribers increased by 4.4%, resulting in an increase in the total number of wireless subscribers in our Europe segment of 1.3%, or 268 thousand, to approximately 21.3 million as of December 31, 2019. The number of fixed voice RGUs for 2019 decreased by 3.6% over 2018, the number of broadband RGUs decreased by 0.7% and the number of Pay TV RGUs increased by 1.8%, resulting in a decrease in total fixed RGUs in our Europe segment of 1.0%, or 59 thousand, to approximately 6.1 million as of December 31, 2019.

Segment operating revenues for 2019 decreased by 2.3% over 2018. Adjusted segment operating revenues for 2019 increased by 2.9% over 2018. This increase in segment operating revenues principally reflects an increase in corporate networks, postpaid mobile data, and an increase in Pay TV revenues. We analyze segment results in euros because it is the functional currency in our operations in Europe.

Segment operating income for 2019 increased by 83.6% over 2018. Adjusted segment operating income for 2019 increased by 81.5% over 2018.

Segment operating margin was 8.8% in 2019, as compared to 4.7% in 2018. Adjusted segment operating margin was 8.8% in 2019, as compared to 4.8% in 2018. This increase in segment operating margin for 2019 principally reflects our corporate cost savings program in all countries and improved performance in some countries.

2018 COMPARED TO 2017

Mexico Wireless

The number of prepaid wireless subscribers for 2018 increased by 1.4% over 2017, and the number of postpaid wireless subscribers increased by 5.8%, resulting in an increase in the total number of wireless subscribers in Mexico of 2.2%, or 1.5 million, to approximately 75.0 million as of December 31, 2018.

Segment operating revenues for 2018 increased by 8.6% over 2017. Adjusted segment operating revenues for 2018 increased by 11.4% over 2017. This increase in segment operating revenues principally reflects an increase of 11.7% in mobile data revenues, driven by increased use of value-added services by our wireless subscribers, including activity from messaging, content downloading, mobile applications and social media, and an increase in revenues from service plans offering higher data capacity.

Segment operating income for 2018 increased by 13.4% over 2017. Adjusted segment operating income for 2018 increased by 20.2% over 2017.

Segment operating margin was 25.6% in 2018, as compared to 24.5% in 2017. Adjusted segment operating margin for this segment was 31.1% in 2018, as compared to 28.8% in 2017. This increase in segment operating margin for 2018 principally reflects costs related to interconnection rates, licensing fees, mobile site infrastructure rentals, maintenance and roaming charges.

Mexico Fixed

The number of fixed voice RGUs in Mexico for 2018 increased by 1.0% over 2017, and the number of broadband RGUs in Mexico increased by 3.8%, resulting in an increase in total fixed RGUs in Mexico of 2.2% over 2017, or 486 thousand, to approximately 22.0 million as of December 31, 2018.

Segment operating revenues for 2018 decreased by 2.4% over 2017. Adjusted segment operating revenues for 2018 decreased by 3.8% over 2017. This decrease in segment operating revenues principally reflects a decrease in fixed voice revenues of 4.4%, driven by RGU disconnections, a decrease in long-distance calls and a decrease in fixed data revenues of 0.7%, which was partially offset by higher revenues from broadband and corporate network services.

Segment operating income for 2018 increased by 2.1% over 2017. Adjusted segment operating income for 2018 decreased by 18.1% over 2017. This decrease principally reflects lower revenues from long-distance services and equipment sales.

Segment operating margin was 8.4% in 2018, as compared to 8.0% in 2017. Adjusted segment operating margin was 3.7% in 2018, as compared to 4.3% in 2017. This decrease in segment operating margin for 2018 principally reflects increases in costs associated with customer service and service quality improvements, as well as network maintenance.

Brazil

The number of prepaid wireless subscribers for 2018 decreased by 14.9% over 2017, and the number of postpaid wireless subscribers increased by 15.6%, resulting in a decrease in the total number of wireless subscribers in Brazil of 4.4%, or 2.6 million, to approximately 56.0 million as of December 31, 2018. The number of fixed voice RGUs for 2018 decreased by 5.0% over 2017, the number of broadband RGUs increased by 5.0%, and the number of Pay TV RGUs decreased by 3.1%, resulting in a decrease in total fixed RGUs in Brazil of 1.7%, or 619 thousand, to approximately 35.0 million as of December 31, 2018.

Segment operating revenues for 2018 decreased by 10.2% over 2017. Adjusted segment operating revenues for 2018 increased by 0.5% over 2017. This increase in segment operating revenues principally reflects higher mobile data and fixed data revenues of 31.0% and 7.6%, respectively, in 2018 over 2017. The increase in mobile data revenues in 2018 principally reflects the usage of social networking platforms, cloud services and content, and fixed data revenues increased principally due to an increase in broadband RGUs and corporate network services. The increase in segment operating revenues was partially offset by a decrease in mobile voice, fixed voice and Pay TV revenues of 31.9%, 17.5% and 5.2%, respectively, in 2018 over 2017, driven by RGU disconnections and lower traffic reflecting a decrease in disposable income.

Segment operating income for 2018 increased by 102.5% over 2017. Adjusted segment operating income for 2018 increased by 172.4% over 2017. This increase principally reflects the favorable resolution of certain tax contingencies.

Segment operating margin was 12.2% in 2018, as compared to 5.4% in 2017. Adjusted segment operating margin was 11.3% in 2018, as compared to 4.2% in 2017. This increase in segment operating margin for 2018 principally reflects synergy gains in marketing, network maintenance, information technology, subscriber acquisition and customer service related to the ongoing integration of our three Brazilian subsidiaries, which have collectively driven our costs down.

Colombia

The number of prepaid wireless subscribers for 2018 increased by 0.4% over 2017, and the number of postpaid wireless subscribers increased by 3.7%, resulting in an increase in the total number of wireless subscribers in Colombia of 1.1%, or 328 thousand, to approximately 30.0 million as of December 31, 2018. The number of fixed voice RGUs for 2018 increased by 10.1% over 2017, the number of broadband RGUs increased by 6.4% and the number of Pay TV RGUs increased by 2.8%, resulting in an increase in total fixed RGUs in Colombia of 6.2%, or 418 thousand, to approximately 7.1 million as of December 31, 2018.

Segment operating revenues for 2018 increased by 4.2% over 2017. Adjusted segment operating revenues for 2018 increased by 2.6% over 2017. This increase in segment operating revenues principally reflects increases in fixed data revenues, mobile data revenues, fixed voice revenues and Pay TV revenues, which increased by 8.9%, 3.2%, 9.0% and 8.6%, respectively, in 2018, principally due to an increase in sales of bundled packages of wireless services, higher demand for data plans and an increase in subscribers for internet services. The increase in segment operating revenues was partially offset by a decrease of 8.1% in mobile voice revenues, driven by more competitive commercial offerings in response to pricing pressure from competitors.

Segment operating income for 2018 was Ps.14.4 billion, compared to a segment operating loss of Ps 4.7 billion in 2017. This change is principally due to the payment in 2017 of an arbitration award granted in Colombia. Adjusted segment operating income for 2018 increased by 576.5% over 2017.

Segment operating margin was 19.0% in 2018, as compared to (6.5%) in 2017. Adjusted segment operating margin was 23.3% in 2018, as compared to (5.0%) in 2017. This increase in segment operating margin for 2018 principally reflects Comcel's cost savings program.

Southern Cone—Argentina, Chile, Paraguay and Uruguay

The number of prepaid wireless subscribers for 2018 decreased by 1.4% over 2017, and the number of postpaid wireless subscribers increased by 1.7%, resulting in a decrease in the total number of wireless subscribers in our Southern Cone segment of 0.3%, or 105 thousand, to approximately 31.0 million as of December 31, 2018. The number of fixed voice RGUs for 2018 increased by 8.3% over 2017, the number of broadband RGUs increased by 12.6%, and the number of Pay TV RGUs increased by 6.1%, resulting in an increase in total fixed RGUs in our Southern Cone segment of 8.7%, or 175 thousand, to approximately 2.2 million as of December 31, 2018.

Segment operating revenues for 2018 increased by 24.3% over 2017. Adjusted segment operating revenues for 2018 increased by 17.4% over 2017. This increase principally reflects an increase of 33.4% in Argentina, Paraguay and Uruguay. This increase was driven by higher data usage, particularly in the form of mobile data, video streaming, content downloading and service package purchases in Argentina, Paraguay and Uruguay and in the form of Pay TV, corporate network and broadband services in Chile. For this segment, we analyze results in Argentina, Paraguay and Uruguay in terms of the Argentine peso, because Argentina accounts for the major portion of the operations in these three countries.

Segment operating income for 2018 increased by 45.4% over 2017. Adjusted segment operating income for 2018 increased by 52.1% over 2017. This increase principally reflects an increase in adjusted operating income of 41.0% in Argentina, Paraguay and Uruguay, which was partially offset by a decrease in adjusted operating loss of 16.2% in Chile.

Segment operating margin was 16.6% in 2018, as compared to 14.2% in 2017. Adjusted segment operating margin was 20.2% in 2018, which increased in comparison to 17.0% in 2017. This increase in the segment operating margin for 2018 principally reflects the cost saving programs of our subsidiaries in the Southern Cone.

Andean Region—Ecuador and Peru

The number of prepaid wireless subscribers for 2018 decreased by 0.1% over 2017, and the number of postpaid wireless subscribers increased by 0.2%, resulting in a decrease in the total number of wireless subscribers in our Andean Region segment of 0.04%, or 8 thousand, to approximately 20.3 million as of December 31, 2018. The number of fixed voice RGUs for 2018 increased by 2.9% over 2017, the number of broadband RGUs increased by 12.4% and the number of Pay TV RGUs decreased by 3.2%, resulting in an increase in total fixed RGUs in our Andean Region segment of 5.2%, or 91 thousand, to approximately 1.8 million as of December 31, 2018.

Segment operating revenues for 2018 decreased by 1.4% over 2017. Adjusted segment operating revenues for 2018 decreased by 2.0% over 2017. This decrease principally reflects a decrease of 0.1% in Ecuador and a decrease of 4.3% in Peru. This decrease was driven by lower revenues from our wireless and fixed voice operations, an increase in tax obligations and bad debt expenses in Ecuador and competitive pricing practices, bundled packages and smartphones subsidies in Peru, which was partially offset by higher revenues from mobile data and higher revenues from fixed data, especially broadband and corporate data services.

Segment operating income for 2018 decreased by 11.4% over 2017. Adjusted segment operating income for 2018 decreased by 5.5% over 2017. This decrease principally reflects a decrease of 15.4% in Peru and a decrease of 0.1% in Ecuador.

Segment operating margin was 9.0% in 2018, as compared to 10.0% in 2017. Adjusted segment operating margin was 15.1% in 2018, as compared to 15.9% in 2017. This decrease in the segment operating margin for 2018 principally reflects gains from our cost savings program and lower direct taxes in Ecuador as well as operation, information technology, marketing and sales costs, which was partially offset by postpaid subscriber acquisition costs driven by a more aggressively competitive environment in Peru.

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

The number of prepaid wireless subscribers for 2018 decreased by 11.3% over 2017, and the number of postpaid wireless subscribers decreased by 1.5%, resulting in a decrease in the total number of wireless subscribers in our Central America segment of 9.8%, or approximately 1.6 million, to approximately 14.3 million as of December 31, 2018. The number of fixed voice RGUs for 2018 increased by 8.7% over 2017, the number of broadband RGUs increased by 16.0% and the number of Pay TV RGUs increased by 3.2%, resulting in an increase in total fixed RGUs in our Central America segment of 11.3%, or 654 thousand, to approximately 6.4 million as of December 31, 2018.

Segment operating revenues for 2018 increased by 1.7% over 2017. Adjusted segment operating revenues for 2018 were unchanged over 2017.

Segment operating income for 2018 decreased by 7.3% over 2017. Adjusted segment operating income for 2018 decreased by 6.7% over 2017. This decrease principally reflects a decrease of 14.9% in Guatemala and a decrease of 131.5% in Honduras, which was partially offset by an increase of 18.3% in El Salvador, an increase of 3.1% in Nicaragua, an increase of 30.2% in Panama and an increase of 27.7% in Costa Rica.

Segment operating margin was 10.8% in 2018, as compared to 11.9% in 2017. Adjusted segment operating margin was 12.2% in 2018, as compared to 13.1% in 2017. This decrease in segment operating margin for 2018 principally reflects higher costs related to doubtful accounts, a one-time charge related to the settlement of an interconnection dispute in Guatemala and an unusual charge arising from a government challenge to tax credits in Honduras.

Caribbean—Dominican Republic and Puerto Rico

The number of prepaid wireless subscribers for 2018 increased by 4.8% over 2017, and the number of postpaid wireless subscribers increased by 3.7%, resulting in an

increase in the total number of wireless subscribers in our Caribbean segment of 4.4%, or approximately 250 thousand, to approximately 5.9 million as of December 31, 2018. The number of fixed voice RGUs for 2018 decreased by 8.1% over 2017, the number of broadband RGUs decreased by 6.4% and the number of Pay TV RGUs increased by 3.9%, resulting in a decrease in total fixed RGUs in our Caribbean segment of 5.7%, or 154 thousand, to approximately 2.6 million as of December 31, 2018.

Segment operating revenues for 2018 increased by 4.0% over 2017. Adjusted segment operating revenues for 2018 increased by 2.6% over 2017. This increase in segment operating revenues principally reflects an increase in segment mobile data revenues and an increase in Pay TV revenues in the Dominican Republic, which was partially offset by lower revenues from wireless and fixed voice services in Puerto Rico. We analyze segment results in U.S. dollars because it is the functional currency of our operations in Puerto Rico, and the currency of the Dominican Republic is relatively stable against the U.S. dollar.

Segment operating income for 2018 increased by 22.3% over 2017. Adjusted segment operating income for 2018 increased by 20.7% over 2017. This increase principally reflects an increase of 21.9% in the Dominican Republic and an increase of 730.5% in Puerto Rico.

Segment operating margin was 15.9% in 2018, as compared to 13.5% in 2017. Adjusted segment operating margin was 16.3% in 2018, as compared to 13.8% in 2017. This increase in segment operating margin for 2018 principally reflects lower unusual costs in 2018 related to the reconstruction and operation of our networks in the aftermath of Hurricane Maria, as well as increased revenues in the Dominican Republic and our corporate cost savings program.

United States

The number of prepaid wireless subscribers for 2018 decreased by 6.2% over 2017, or approximately 1.4 million, to approximately 22.0 million total wireless subscribers in the United States as of December 31, 2018.

Segment operating revenues for 2018 increased by 3.1% over 2017. Adjusted segment operating revenues for 2018 increased by 1.6% over 2017. This increase in segment operating revenues principally reflects higher mobile voice and data usage and revenues driven by the success of existing unlimited data plans and increased equipment sales of higher-end smartphones.

Segment operating income for 2018 decreased by 8.6% over 2017. Adjusted segment operating income for 2018 decreased by 17.4% over 2017.

Segment operating margin was 1.7% in 2018, as compared to 2.0% in 2017. Adjusted segment operating margin was 6.8% in 2018, as compared to 8.4% in 2017. This decrease in segment operating margin for 2018 principally reflects an increase in content costs as a result of increased data usage.

Europe

The number of prepaid wireless subscribers for 2018 decreased by 5.8% over 2017, and the number of postpaid wireless subscribers increased by 4.1%, resulting in an increase in the total number of wireless subscribers in our Europe segment of 1.7%, or approximately 342 thousand, to approximately 21.0 million as of December 31, 2018. The number of fixed voice RGUs for 2018 decreased by 2.9% over 2017, the number of broadband RGUs increased by 2.4% and the number of Pay TV RGUs increased by 15.9%, resulting in an increase in total fixed RGUs in our Europe segment of 3.7%, or 224 thousand, to approximately 6.2 million as of December 31, 2018.

Segment operating revenues for 2018 increased by 7.6% over 2017. Adjusted segment operating revenues for 2018 increased by 1.2% over 2017. This increase in segment operating revenues principally reflects an increase in high-value customers in the mobile business and an ongoing strong fixed-line business, along with an increase in connectivity. We analyze segment results in euros because it is the functional currency in our operations in Europe.

Segment operating income for 2018 increased by 4.6% over 2017. Adjusted segment operating income for 2018 decreased by 4.3% over 2017.

Segment operating margin was 4.7% in 2018, as compared to 4.8% in 2017. Adjusted segment operating margin was 4.8% in 2018, as compared to 5.0% in 2017. This decrease in segment operating margin for 2018 principally reflects increases in costs related to marketing and subscriber acquisition.



LIQUIDITY AND CAPITAL SOURCES

FUNDING REQUIREMENTS

We generate substantial cash flows from our operations. On a consolidated basis, our cash flows from operating activities were Ps.234.3 billion in 2019, compared to Ps.248.3 billion in 2018. Our cash and cash equivalents amounted to Ps.19.7 billion at December 31, 2019, compared to Ps.21.7 billion at December 31, 2018. We believe our working capital is sufficient for our present requirements. We use the cash that we generate from our operations and from borrowings principally for the following purposes:

- **Capital expenditures** — We make substantial capital expenditures to continue expanding and improving our networks in each country in which we operate. Our capital expenditures on plant, property and equipment and acquisition or renewal of licenses were Ps.151.8 billion in 2019, Ps.151.8 billion in 2018, and Ps.136.7 billion in 2017. The amount of capital expenditures can vary significantly from year to year, depending on acquisition opportunities, concession renewal schedules and the need for more spectrum. We have budgeted capital expenditures for 2020 of approximately U.S.$8.5 billion (Ps.170.0 billion), which will be primarily funded by our operating activities. That amount is subject to change as we continue to evaluate our capital expenditure needs and opportunities in light of the ongoing COVID-19 outbreak.
- **Acquisitions** — We made substantial expenditures on acquisitions in 2019. In January 2019, we acquired 100% of the capital of Telefonica Guatemala. The amount paid for the business acquisition was U.S.$333.0 million, net of acquired cash. In 2019, we acquired 100% of Nextel Brazil from NII Holdings, Inc. and certain of its affiliates ("NII") and AI Brazil Holdings B.V. The adjusted amount paid for the business acquisition was U.S.$948.5 million, on a cash-free and debt-free basis. Also in January 2019, we entered into an agreement to acquire 99.3% of Telefónica El Salvador for the amount of U.S.$315.0 million. The completion of the acquisition of Telefónica El Salvador is subject to certain customary conditions, including regulatory approval.
- **Indebtedness** — We must pay interest on our indebtedness and repay principal when due. As of December 31, 2019, we had approximately Ps. 129.2 billion of principal and amortization due in 2020.
- **Dividends** — We pay regular dividends. We paid Ps.24.2 billion in dividends in 2019 and Ps.22.4 billion in 2018. Our shareholders approved on April 24, 2020 the payment of a Ps.0.38 ordinary dividend per share in two installments in 2020. See "Share Ownership and Trading—Dividends" under Part IV in this annual report.
- **Share repurchases.** — We regularly repurchase our own shares. We spent Ps.435.7 million repurchasing our own shares in the open market in 2019 and Ps.511.4 billion in 2018. Our shareholders have authorized additional repurchases, and as of March 31, 2020, we have spent Ps.121.3 million repurchasing our shares in the open market in 2020, but whether we will continue to do so will depend on our operating cash flow and on various other considerations, including market prices and our other capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2019, we had no off-balance sheet arrangements that require disclosure under applicable SEC regulations.

CONTRACTUAL OBLIGATIONS

The following table summarizes certain contractual obligations as of December 31, 2019. Many of our obligations are denominated in currencies other than Mexican pesos. The table does not include accounts payable, pension liabilities, interest payments or payments under derivatives contracts. See notes 14, 15 and 17 to our audited consolidated financial statements included in this annual report.

PAYMENTS DUE BY PERIOD					
	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	AFTER 5 YEARS
	(in millions of Mexican pesos)				
CONTRACTUAL OBLIGATIONS AS OF DECEMBER 31, 2019:					
Short-term debt	Ps. 129,172	Ps. 129,172	Ps. —	Ps. —	Ps. —
Short-term lease debt	25,895	25,895	—	—	—
Long-term debt	495,082	—	184,391	33,732	276,959
Long-term lease debt	94,702	—	64,717	16,264	13,720
Purchase obligations	138,687	69,338	68,816	532	—
Total	**Ps.883,539**	**Ps.224,405**	**Ps.317,925**	**Ps.50,529**	**Ps.290,679**

Other than the amounts in the table above, we had no other outstanding material purchase commitments as of December 31, 2019. We enter into a number of supply, advertising and other contracts in the ordinary course of business, but those contracts are not material to our liquidity.

BORROWINGS

In addition to cash flows generated from operations, we rely on a combination of borrowings from a range of different sources, including the international capital markets, capital markets in Mexico and other countries where we operate, international and local banks, equipment suppliers and export credit agencies. We seek to maintain access to diverse sources of funding. In managing our funding, we generally seek to keep our leverage, as measured by the ratio of net debt to EBITDA, at a level that is consistent with maintaining the ratings given to our debt by the principal credit rating agencies. Our total consolidated indebtedness as of December 31, 2019 was Ps.624.3 billion, of which Ps.129.2 billion was short-term debt (including the current portion of long-term debt), compared to Ps.638.9 billion as of December 31, 2018.

Management defines net debt as total debt minus cash and cash equivalents, minus marketable securities (including Koninklijke KPN N.V. ("KPN") shares) or other short- term investments. As of December 31, 2019, we had net debt of Ps.556.8 billion, compared to Ps.568.2 billion as of December 31, 2018. Without taking into account the effects of derivative financial instruments that we use to manage our interest rate and currency risk, approximately 87.2% of our indebtedness at December 31, 2019 was denominated in currencies other than Mexican pesos (approximately 32.8% of such non-Mexican peso debt in U.S. dollars and 67.2% in other currencies), and approximately 10.1% of our consolidated debt obligations bore interest at floating rates. After the effects of derivative transactions and excluding the debt of Telekom Austria, approximately 36.5% of our net debt as of December 31, 2019 was denominated in Mexican pesos.

The weighted average cost of all our third-party debt at December 31, 2019 (excluding commissions and reimbursement of certain lenders for Mexican taxes withheld) was approximately 4.2% per annum.

Our major categories of indebtedness at December 31, 2019 are summarized in the table below. See also Note 14 to our audited consolidated financial statements included in this annual report.

LIQUIDITY AND CAPITAL SOURCES

DEBT	
(millions of Mexican pesos)	
SENIOR NOTES	
DENOMINATED IN U.S. DOLLARS:	
América Móvil 5.000% Senior Notes due 2020	Ps. 11,775
América Móvil 3.125% Senior Notes due 2022	30,152
América Móvil 3.625% Senior Notes due 2029	18,845
América Móvil 6.375% Senior Notes due 2035	18,493
América Móvil 6.125% Senior Notes due 2037	6,958
América Móvil 6.125% Senior Notes due 2040	37,691
América Móvil 4.375% Senior Notes due 2042	21,672
América Móvil 4.375% Senior Notes due 2049	23,557
Total	**Ps.169,143**
DENOMINATED IN MEXICAN PESOS	
América Móvil 8.600% Domestic Senior Notes due 2020	Ps. 7,000
América Móvil 6.450% Senior Notes due 2022	22,500
América Móvil 7.125% Senior Notes due 2024	11,000
América Móvil 0.000% Domestic Senior Notes due 2025	4,757
América Móvil 8.460% Senior Notes due 2036	7,872
Telmex 8.360% Domestic Senior Notes due 2037	5,000
Total	**Ps. 58,129**
DENOMINATED IN EURO	
Commercial Paper -0.230% due 2020	Ps. 2,599
América Móvil B.V. 0.000% Exchangeable Bonds due 2020	60,051
América Móvil 3.000% Senior Notes due 2021	21,131
TKA 3.125% Senior Notes due 2021	15,849
TKA 4.000% Senior Notes due 2022	15,849
América Móvil 4.750% Senior Notes due 2022	15,849
TKA 3.500% Senior Notes due 2023	6,339
América Móvil 3.259% Senior Notes due 2023	15,848
América Móvil 1.500% Senior Notes due 2024	17,961
TKA 1.500% Senior Notes due 2026	15,848
América Móvil 0.750% Senior Notes due 2027	21,131
América Móvil 2.125% Senior Notes due 2028	13,735
Total	**Ps.222,190**
DENOMINATED IN POUND STERLING	
América Móvil 5.000% Senior Notes due 2026	Ps. 12,492
América Móvil 5.750% Senior Notes due 2030	16,239
América Móvil 4.948% Senior Notes due 2033	7,495
América Móvil 4.375% Senior Notes due 2041	18,737
Total	**Ps. 54,963**

DEBT	
(millions of Mexican pesos)	
DENOMINATED IN JAPANESE YEN	
América Móvil 2.950% Senior Notes due 2039	Ps. 2,255
Total	**Ps. 2,255**
DENOMINATED IN CHILEAN PESOS	
América Móvil 3.961% Senior Notes due 2035	Ps. 3,563
Total	**Ps. 3,563**
DENOMINATED IN BRAZILIAN REAIS	
Claro Brasil 102.900% of CDI Domestic Senior Notes due 2020	Ps. 7,013
Claro Brasil 104.000% of CDI Domestic Senior Notes due 2021	5,143
Claro Brasil 104.250% of CDI Domestic Senior Notes due 2021	7,083
Claro Brasil CDI + 0.600% Domestic Senior Notes due 2021	1,683
Claro Brasil 106.000% of CDI Domestic Senior Notes due 2022	9,351
Claro Brasil 106.500% of CDI Domestic Senior Notes due 2022	4,676
Total	**Ps. 34,949**
HYBRID NOTES	
DENOMINATED IN EURO:	
América Móvil NC10 (Series B) Capital Securities due 2073	Ps. 11,622
Total	**Ps. 11,622**
DENOMINATED IN POUND STERLING	
América Móvil NC7 Capital Securities due 2073	Ps. 13,741
Total	**Ps. 13,741**
BANK DEBT AND OTHER	
DENOMINATED IN U.S. DOLLARS	Ps. 9,359
DENOMINATED IN MEXICAN PESOS	Ps. 22,000
DENOMINATED IN EUROS	Ps. 2,113
DENOMINATED IN CHILEAN PESOS	Ps. 4,876
DENOMINATED IN PERUVIAN SOLES	Ps. 15,351
Total	**Ps. 53,699**
Total Debt	**Ps. 624,254**
Less short-term debt and current portion of long-term debt	Ps. 129,172
Total Long-term Debt	**Ps. 495,082**
EQUITY:	
Capital stock	Ps. 96,338
Total retained earnings	281,450
Other comprehensive income (loss) items	(199,878)
Non-controlling interest	48,997
Total Equity	**Ps. 226,907**
Total Capitalization (total long-term debt plus equity)	**Ps. 721,989**

LIQUIDITY AND CAPITAL SOURCES

Additional information about certain categories of our indebtedness is provided below:

- **Mexican peso-denominated international notes.** Our 8.46% senior notes due 2036 are denominated in Mexican pesos, but all amounts in respect of the notes are payable in U.S. dollars, unless a holder of notes elects to receive payment in Mexican pesos in accordance with specified procedures.
- **Mexican peso-denominated domestic notes.** Our domestic senior notes (certificados bursátiles) sold in the Mexican capital markets have varying maturities, ranging from 2020 through 2037, and bear interest at fixed rates.
- **Global peso notes program.** The global peso notes program was established in November 2012. Since its establishment, we have issued peso-denominated notes that can be distributed and traded on a seamless basis in Mexico and internationally. The notes are registered with the SEC in the United States and with the CNBV in Mexico.
- **International notes.** We have outstanding debt securities in the international markets denominated in U.S. dollars, pound sterling and euros. We have also issued debt securities in the local market in Japan.
- **Hybrid notes.** We have outstanding two series of Capital Securities maturing in 2073: one series denominated in euros totaling €550 million, and one series denominated in pound sterling in the amount of £550 million. The Capital Securities are subject to redemption at our option at varying dates beginning in 2023 for the euro-denominated series and beginning in 2020 for the sterling-denominated series. Our hybrid notes are deeply subordinated, and when they were issued, the principal rating agencies stated that they would treat only half of the principal amount as indebtedness for purposes of evaluating our leverage (an analysis referred to as 50.0% equity credit).
- **Bank loans.** At December 31, 2019, we had approximately Ps.53.7 billion outstanding under a number of bank facilities bearing interest at fixed and variable rates. We also have two revolving syndicated credit facilities—one for U.S.$2.5 billion expiring in August 2024 and one for the Euro equivalent of U.S.$2.0 billion expiring in May 2021. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2019, these credit facilities were undrawn. Both facilities include covenants that limit our ability to incur secured debt, to effect a merger in which the surviving entity would not be América Móvil or to sell substantially all of our assets. In addition, both facilities require us to maintain a consolidated ratio of debt to EBITDA not greater than 4.0 to 1.0 and a consolidated ratio of EBITDA to interest expense not less than 2.5 to 1.0. As of the date of this annual report, we are in compliance with these covenants. On March 25, 2020, we drew the full amount of both facilities. For more information see “Recent Developments.” Telekom Austria has an undrawn revolving syndicated credit facility for €1.0 billion (the “TKA Facility”) expiring in July 2024. The TKA Facility includes covenants that limit Telekom Austria’s ability to incur secured debt, effect certain mergers or sell substantially all of its assets and our ability to transfer control over, or reduce our share ownership in, Telekom Austria. For more information, see note 14 to our audited consolidated financial statements included in this annual report.
- **Options involving KPN and TKA shares.** The Company has entered into certain option contracts related to shares that are or have been a strategic investment for the Company. These options include a sale of call options related to our KPN shares with an exercise period that will expire in May 2020 and the sale of a cash-settled put option related to TKA shares that will expire in August 2023. See note 7 to our audited consolidated financial statements included in this annual report.
- **Euro-denominated commercial paper program.** At December 31, 2019, debt under our euro-denominated commercial paper program aggregated to Ps. $2,599.1 million.

Some of the public securities issued by América Móvil in international and Mexican capital markets are guaranteed by Telcel. As of December 31, 2019, we had, on an unconsolidated basis, unsecured and unsubordinated indebtedness of approximately Ps.498.2 billion (U.S.$26.4 billion), excluding guarantees of subsidiaries’ indebtedness. As of December 31, 2019, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.126.0 billion (U.S.$6.7 billion), and a substantial portion of our subsidiaries’ indebtedness is owed by Telekom Austria.

RISK MANAGEMENT

We regularly assess our interest rate and currency exchange exposures in order to determine how to manage the risk associated with these exposures. We have indebtedness denominated in currencies other than the currency of our operating environments, and we have expenses for operations and for capital expenditures in a variety of currencies. We use derivatives to adjust the resulting exchange rate and interest rate exposures. We do not use derivatives to hedge the exchange rate exposures that arise from having operations in different countries.

Our practices vary from time to time depending on our judgment of the level of risk, expectations as to exchange or interest rate movements and the costs of using derivative financial instruments. We may stop using derivative financial instruments or modify our practices at any time.

As of December 31, 2019, we had derivatives positions with an aggregate net fair value liability of Ps.2.8 billion, which are described in Note 7 to our audited consolidated financial statements. For additional information, see note 2 v) to our audited consolidated financial statements included in this annual report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES[6]

USE OF ESTIMATES IN CERTAIN ACCOUNTING POLICIES

In preparing our financial statements, we make estimates concerning a variety of matters. Some of these matters are highly uncertain, and our estimates involve judgments we make based on the information available to us. In the discussion below, we have identified several of these matters for which our financial presentation would be materially affected if either (i) we used different estimates that we could reasonably have used or (ii) in the future, we change our estimates in response to changes that are reasonably likely to occur.

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

ESTIMATED USEFUL LIVES OF PLANT, PROPERTY AND EQUIPMENT

We estimate the useful lives of particular classes of plant, property and equipment in order to determine the amount of depreciation expense to be recorded in each period. Depreciation expense is a significant element of our costs and expenses, amounting in 2019 to Ps.114.8 billion, or 13.5% of our operating costs and expenses. See Note 10 to our audited consolidated financial statements included in this annual report.

We currently depreciate most of our property, plant and equipment based on an estimated useful life determined upon the expected particular conditions of operations and maintenance in each of the countries in which we operate.

The estimates are based on our historical experience with similar assets, anticipated technological changes and other factors, taking into account the practices of other telecommunications companies. We review estimated useful lives each year to determine whether they should be changed, and, at times, we have changed them for particular classes of assets. We may shorten the estimated useful life of an asset class in response to technological changes, changes in the market or other developments, which would result in higher depreciation expense.

IMPAIRMENT OF LONG-LIVED ASSETS

We have large amounts of long-lived assets, including property, plant and equipment, intangible assets, investments in associates and goodwill, on our balance sheet. Under IFRS, we are required to test long-lived assets for impairment when circumstances indicate a potential impairment or, in some cases, at least on an annual basis. The impairment analysis for long-lived assets requires us to estimate the recovery value of the asset, which is the greater of its fair value (minus any disposal costs) and its value in use. To estimate the fair value of a long-lived asset, we typically take into account recent market transactions, or, if no such transactions can be identified, we use a valuation model that requires the making of certain assumptions and estimates. Similarly, to estimate the value in use of long- lived assets, we typically make various assumptions about the future prospects for the business to which the asset relates, consider market factors specific to that business and estimate discounted future cash flows to be generated by that business. Based on this impairment analysis, including all assumptions and estimates related thereto, as well as guidance provided by IFRS relating to the impairment of long-lived assets, we determine whether we need to recognize an impairment to reduce the carrying value of the asset as stated on our balance sheet. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors, such as industry and economic trends, and internal factors, such as changes in our business strategy and our internal forecasts. Different assumptions and estimates could materially impact our reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in impairment charges, which would decrease net income and result in lower asset values on our balance sheet. Conversely, less conservative assumptions could result in lower or no impairment charges, higher net income and higher asset values. See Note 2 ab) to our audited consolidated financial statements included in this annual report.

DEFERRED INCOME TAXES

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

We record deferred tax assets based on the amount that we believe is more likely than not to be realized. In assessing the future realization of deferred tax assets, we consider future taxable income and ongoing tax planning strategies. In the event that our estimates of projected future taxable income and benefits from tax planning strategies are lowered, or changes in current tax regulations are enacted that would impose restrictions on the timing or the extent of our ability to utilize the tax benefits of net operating loss carry forwards in the future, an adjustment to the recorded amount of deferred tax assets would be made.

LABOR OBLIGATIONS

We recognize liabilities on our balance sheet and expenses in our statement of comprehensive income to reflect our obligations related to our post-retirement seniority premiums, pension and retirement plans in the countries in which we operate and offer defined contribution and benefit pension plans. The amounts we recognize are determined on an actuarial basis that involves many estimates and assumptions for post-retirement pension and termination benefits in accordance with IFRS.

We use estimates in four specific areas that have a significant effect on these amounts: (i) the rate of return we assume our labor obligation plans will achieve on their investments, (ii) the rate of increase in salaries that we assume we will observe in future years, (iii) the discount rates that we use to calculate the present value of our future obligations and (iv) the expected rate of inflation. The assumptions we have applied are identified in Note 18 to our audited consolidated financial statements included in this annual report. These estimates are determined based on actuarial studies performed by independent experts using the projected unit-credit method.


The Network

PART III
RISK FACTORS



RISKS RELATING TO OUR OPERATIONS

Competition in the telecommunications industry is intense and could adversely affect the revenues and profitability of our operations

Our businesses face substantial competition. We expect that competition will intensify in the future as a result of the entry of new competitors, the development of new technologies, products and services and convergence. We also expect consolidation in the telecommunications industry, as companies respond to the need for cost reduction and additional spectrum. This trend may result in larger competitors with greater financial, technical, promotional and other resources to compete with our businesses.

Among other things, our competitors could:

- provide higher handset subsidies;
- offer higher commissions to retailers;
- provide free airtime or other services (such as internet access);
- offer services at lower costs through double, triple and quadruple play packages or other pricing strategies;
- expand their networks faster; or
- develop and deploy improved technologies faster, such as 5G LTE technology.

Competition can lead us to increase advertising and promotional spending and to reduce prices for services and handsets. These developments may lead to lower operating margins, greater choices for customers and increasing movement of customers among competitors, which may make it difficult for us to retain or add new customers. The cost of adding new customers may also continue to increase, reducing profitability even if customer growth continues.

Our ability to compete successfully will depend on our coverage, the quality of our network and service, our rates, customer service, effective marketing, our success in selling double, triple and quadruple play packages and our ability to anticipate and respond to various competitive factors affecting the telecommunications industry, including new services and technologies, changes in consumer preferences, demographic trends, economic conditions and discount pricing strategies by competitors.

If we are unable to respond to competition and compensate for declining prices by adding new customers, increasing usage and offering new services, our revenues and profitability could decline.

Governmental or regulatory actions could adversely affect our operations

Our operations are subject to extensive government regulation and can be adversely affected by changes in law, regulation or regulatory policy. The licensing, construction, operation, sale, resale and interconnection arrangements of telecommunications systems in Latin America and elsewhere are regulated to varying degrees by government or regulatory authorities. Any of these authorities having jurisdiction over our businesses could adopt or change regulations or take other actions that could adversely affect our operations. In particular, the regulation of prices that operators may charge for their services and environmental matters, including renewable energy and climate change regulation, could have a material adverse effect by reducing our profit margins. See “Regulation” under Part VI for a discussion on the functional separation of Telmex and Telnor wholesale services, “Legal Proceedings” under Part VII and Note 17 to our audited consolidated financial statements included in this annual report.

In addition, changes in political administrations could lead to the adoption of policies concerning competition and taxation of communications services. For example, since 2013, Mexico has implemented reforms to the telecommunications sector that aim to promote more competition and investment by imposing asymmetric regulation upon economic agents deemed “preponderant or dominant.” The asymmetric regulations that are applicable to us, which have adversely affected the results of our Mexican operations, may be reviewed every two years. We are unable to anticipate the effect of an amendment on existing asymmetric regulations, or the imposition of new ones, on our results or operations in Mexico. In other countries, we could also face policies such as preferences for local over foreign ownership of communications licenses and assets or for government over private ownership, which could make it more cumbersome or

impossible for us to continue to develop our businesses. Restrictions such as those described above could result in lower revenues and require capital investments, all of which could materially adversely affect our businesses and results of operations.

Our failure to meet or maintain quality of service goals and standards could result in fines and other adverse consequences

The terms of the concessions under which our subsidiaries operate require them to meet certain service quality goals, including, for example, minimum call completion rates, maximum busy circuits rates, operator availability and responsiveness to repair requests. Failure to meet service quality obligations in the past has resulted in the imposition of material fines by regulatory entities. We are also subject to and may be subject to additional claims by customers, including class actions, seeking remedies for service problems. Our ability to comply with these obligations in the future may be affected by factors beyond our control and, accordingly, we cannot assure that we will be able to comply with them.

Dominant carrier related regulations could adversely affect our business by limiting our ability to pursue competitive and profitable strategies

Our regulators are authorized to impose specific requirements as to rates (including termination rates), quality of service, access to active or passive infrastructure and information, among other matters, on operators that are determined to have substantial market power in a specific market. We cannot predict what steps regulatory authorities might take in response to determinations regarding substantial market power in the countries in which we operate. However, adverse determinations against our subsidiaries could result in material restrictions on our operations. We may also face additional regulatory restrictions and scrutiny as a result of our provision of combined services.

If dominant carrier regulations are imposed on our business in the future, they could likely reduce our flexibility to adopt competitive market policies and impose specific tariff requirements or other special regulations on us, such as additional requirements regarding disclosure of information or quality of service. Any such new regulation could have a material adverse effect on our operations.

We must continue to acquire additional radio spectrum capacity and upgrade our networks in order to expand our customer base and maintain the quality of our wireless services

Licensed radio spectrum is essential to our growth and the quality of our wireless services and for the operation and deployment of our networks, including new generation networks such as 5G LTE technology, to offer improved data and value-added services. We obtain most of our radio spectrum through auctions conducted by governments of the countries in which we operate. Participation in spectrum auctions in most of these countries requires prior government authorization, and we may be subject to caps on our ability to acquire additional spectrum. Our inability to acquire additional radio spectrum capacity could affect our ability to compete successfully because it could result in, among other things, a decrease in the quality of our network and service and in our ability to meet the demands of our customers.

In the event we are unable to acquire additional radio spectrum capacity, we can increase the density of our network by building more cell and switch sites, but such measures are costly and may be subject to local restrictions and regulatory approvals, and they would not meet our needs as effectively.

We have concessions and licenses for fixed terms, and the government may revoke or terminate them as well as reacquire the assets under our concession under various circumstances, some of which are beyond our control

Our concessions and licenses have specified terms, ranging typically from five to 20 years, and are generally subject to renewal upon payment of a fee, but renewal is not assured. The loss of, or failure to renew, any one concession could have a material adverse effect on our business and results of operations. Our ability to renew concessions and the terms of renewal are subject to a number of factors beyond our control, including the prevalent regulatory and political

environment at the time of renewal. Fees are typically established at the time of renewal. As a condition for renewal, we may be required to agree to new and stricter terms and service requirements. In some of the jurisdictions where we operate and under certain circumstances, mainly in connection with fixed services, we may be required to transfer certain assets covered by some of our concessions to the government pursuant to valuation methodologies that vary in each jurisdiction. It is uncertain whether reversion would ever be applied in many of the jurisdictions where we operate and how reversion provisions would be interpreted in practice. For further information, see "Regulation" under Part VI of this annual report and Note 17 to our audited consolidated financial statements included in this annual report.

In addition, the regulatory authorities in the jurisdictions in which we operate can revoke our concessions under certain circumstances. In Mexico, for example, the Federal Law on Telecommunications and Broadcasting gives the government the right to expropriate our concessions or to take over the management of our networks, facilities and personnel in cases of failures to meet obligations under our concession agreements, imminent danger to national security, internal peace or the national economy, natural disasters and public unrest. See "Regulation" under Part VI of this annual report.

We continue to look for acquisition opportunities, and any future acquisitions and related financing could have a material effect on our business, results of operations and financial condition

We continue to look for investment opportunities in telecommunications and related companies worldwide, including in markets where we are already present, and we often have several possible acquisitions under consideration. Any future acquisitions, and related financing and acquired indebtedness, could have a material effect on our business, results of operations and financial condition, but we cannot provide assurances that we will complete any of them. In addition, we may incur significant costs and expenses as we integrate these companies in our systems, controls and networks.

We are subject to significant litigation

Some of our subsidiaries are subject to significant litigation that, if determined adversely to our interests, may have a material adverse effect on our business, results of operations, financial condition or prospects. Our significant litigation is described in "Regulation" under Part VI and in Note 17 to our audited consolidated financial statements included in this annual report.

We are contesting significant tax assessments

We and some of our subsidiaries have been notified of tax assessments for significant amounts by the tax authorities of the countries in which we operate, especially in Brazil, Mexico and Ecuador. The tax assessments relate to, among other things, alleged improper deductions and underpayments. We are contesting these tax assessments in several administrative and legal proceedings, and our challenges are at various stages. If determined adversely to us, these proceedings may have a material adverse effect on our business, results of operations, financial condition or prospects. In addition, in some jurisdictions, challenges to tax assessments require the posting of a bond or security for the contested amount, which may reduce our flexibility in operating our business. Our significant tax assessments are described in Note 17 to our audited consolidated financial statements included in this annual report.

Failure to comply with anti-corruption, anti-bribery and anti-money laundering laws could harm our reputation, subject us to substantial fines and adversely affect our business

We operate in multiple jurisdictions and are subject to complex regulatory frameworks with increased enforcement activities worldwide. Our governance and compliance processes may not prevent future breaches of legal, accounting or governance standards and regulations. We may be subject to breaches of our code of ethics, anti-corruption policies and business conduct protocols and to instances of fraudulent behavior, corrupt practices and dishonesty by our employees, contractors or other agents. Our failure to comply with applicable laws and other regulatory requirements could harm our reputation, subject us to substantial fines, sanctions or penalties and adversely affect our business and ability to access financial markets.

A system failure could cause delays or interruptions of service, which could have an adverse effect on our operations

We need to continue to provide our subscribers with a reliable service over our network. Some of the risks to our network and infrastructure include the following:

- physical damage to access lines and fixed networks;
- power surges or outages;
- natural disasters;
- climate change;
- malicious actions, such as theft or misuse of customer data;
- limitations on the use of our radio bases;
- software defects;
- human error; and
- disruptions beyond our control.

In Brazil, for example, our satellite operations may be affected if we experience a delay in launching new satellites to replace those currently in use when they reach the end of their operational lives. Such delay may occur because of, among other reasons, construction delays, unavailability of launch vehicles and/or launch failures. In addition, in 2017, our operations in Puerto Rico suffered significant damage in the aftermath of Hurricane Maria, and our operations in Mexico experienced network overloads and power outages following the earthquake on September 19, 2017.

We have instituted measures to reduce these risks. However, there is no assurance that any measures we implement will be effective in preventing system failures under all circumstances. System failures may cause interruptions in services or reduced capacity for our customers, either of which may have an adverse effect on our operations due to, for example, increased expenses, potential legal liability, loss of existing and potential subscribers, reduced user traffic, decreased revenues and reputational harm.

Our financial condition and results of operations may be adversely affected by the occurrence of severe weather, natural or man-made disasters and other catastrophic events, including war, terrorism and other acts of violence, and disease

Our operations can be disrupted by unforeseen events, including war, terrorism, and other international, regional, or local instability or conflicts (including labor issues), embargos, public health issues (including tainted food, food-borne illnesses, food tampering, tampering with or failure of water supply or widespread or pandemic illness such as coronavirus ("COVID-19"), ebola, the avian or H1N1 flu, MERS), and natural disasters such as earthquakes, tsunamis, hurricanes, or other adverse weather and climate conditions in the countries in which we operate. These events could disrupt or prevent our ability to perform functions and otherwise impede our ability to continue business operations in a continuous manner, which in turn may materially and adversely impact our business and operating results.

The COVID-19 outbreak has had a material impact on the global economy and our business

The COVID-19 outbreak has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. In April 2020, the International Monetary Fund warned that the outbreak is likely to trigger the worst recession since the Great Depression. Governments in jurisdictions where we operate have taken aggressive measures to slow the spread of COVID-19, including quarantines and lock-downs, restrictions on travel, and closing of businesses and public and private institutions. In addition, governments have imposed a wide variety of consumer protection measures that limit how certain businesses, including telecommunications companies, can operate their businesses and interact with their customers. The virus continues to spread globally and cause significant social and market disruption.

There are a number of consequences of the outbreak and its impact on global economies that could have a material adverse effect on our business.

- The economic slowdown has had an adverse impact on demand for our services, beginning in March 2020.
- We have been required to change or restrict many of our operations, including customer support, servicing and repairs, network maintenance, retail operations and investment projects. This could have an impact on our costs.
- We have implemented policies, including work-from-home policies and social distancing policies, that could limit the efficiency and effectiveness of our operations and our reporting and internal controls.
- We have taken steps to strengthen our cash position, including by drawing on our credit facilities. See "Recent Developments" under Part I hereof.

Most of the impact and actions described above were implemented during the latter part of the first quarter of 2020. The extent of the impact of the COVID-19 on the Company's operational and financial performance for the remainder of the year and beyond will depend on future developments, including the duration and spread of the outbreak, all of which are highly uncertain and cannot be predicted. If the COVID-19 outbreak continues to spread, the impact on our operations, our clients, our suppliers and financial markets could materially adversely affect our financial condition or results of operations.

Increases in labor and employee benefit costs may reduce our profitability, increase our funding requirements and could have an adverse impact on our operations

Many of our employees are members of labor unions with which we conduct collective negotiations on wages, benefits and working conditions. We use actuarial methodologies and assumptions such as discount rate, salary increase and mortality, among others, for the determination and valuation of our employee benefits, including retirement benefits. We evaluate from time to time, with the support of specialists, our actuarial methodologies and assumptions, as well as the valuation of the assets related to these benefits.

Our labor costs and the costs of maintaining employee benefits could be affected by several factors, including legislative and regulatory changes, work stoppages, subsequent negotiations, increases in healthcare costs, minimum wages, decreases in investment returns on the assets held in funds to support the payment of certain employee benefits and changes in the discount rate and mortality assumptions. An increase in labor and employee benefit costs could reduce our profitability, increase our funding requirements and have an adverse impact on our operations.

Cybersecurity incidents and other breaches of network or information technology security could have an adverse effect on our business and our reputation

Cybersecurity incidents, and other tactics designed to gain access to and exploit sensitive information by breaching critical systems of large companies, are evolving and have been increasing in both sophistication and occurrence in recent years. While we employ a number of measures to prevent, detect and mitigate such incidents, there is no guarantee that we will be able to adequately anticipate or prevent one. Cybercrime, including attempts to overload our servers with denial- of- service attacks, theft, social engineering, phishing, ransomware or similar disruptions from unauthorized access or attempted unauthorized access to our systems could result in the destruction, misuse or release of personal information or other sensitive data. However, it is difficult to detect or prevent evolving forms of cybersecurity incidents, and our systems, and those of our third-party service providers and of our customers, are vulnerable to cybersecurity incidents.

In the event that our systems are breached or damaged for any reason, we may suffer loss or unavailability of data and interruptions to our business operations. If such an event occurs, the unauthorized disclosure, loss or unavailability of data and the disruption to our fixed-line or wireless networks may have a material adverse effect on our business and results of operations. The costs associated with a cybersecurity incident could include increased expenditures on information and cybersecurity measures,

damage to our reputation, loss of existing customers and business partners and lead to financial losses from remedial actions and potential liability, including possible litigation and sanctions. Any of these occurrences may result in a material adverse effect on our results of operations and financial condition.

Failure to achieve proper data governance could lead to data mismanagement

We process large amounts of personally identifiable information of customers and employees and are subject to various compliance, security, privacy, data quality and regulatory requirements. Failure to achieve proper data governance could lead to data mismanagement which in turn could result in data loss, regulatory investigations or sanctions, and cybersecurity risk.

If our churn rate increases, our business could be negatively affected

The cost of acquiring a new subscriber is much higher than the cost of maintaining an existing subscriber. Accordingly, subscriber deactivations, or "churn," could have a material negative impact on our operating income, even if we are able to obtain one new subscriber for each lost subscriber. A substantial majority of our subscribers are prepaid, and we do not have long-term contracts with them. Our average churn rate on a consolidated basis was 4.1% for the year ended December 31, 2019 and 4.2% for the year ended December 31, 2018. If we experience an increase in our churn rate, our ability to achieve revenue growth could be materially impacted. In addition, a decline in general economic conditions could lead to an increase in churn, particularly among our prepaid subscribers.

We rely on key suppliers to provide equipment that we need to operate our business

We rely upon various key suppliers to provide us with handsets, network equipment or services, which we need to expand and operate our business. Our key suppliers include Huawei, Ericsson and Alcatel. If these suppliers fail to provide equipment or service to us on a timely basis, we could experience disruptions, which could have an adverse effect on our revenues and results of operations. In addition, we might be unable to satisfy requirements under our concessions.

Government or regulatory actions with respect to certain suppliers may impact us. For example, the government of the United States and Canada, among others, are currently conducting a regulatory review of certain international suppliers of network equipment and technologies to evaluate potential risks. We are currently unable to predict the outcome of such reviews, including any possible restrictions placed on our key suppliers , and as a result we cannot determine their potential impact on our business.

Our ability to pay dividends and repay debt depends on our subsidiaries' ability to pay dividends and make other transfers to us

We are a holding company with no significant assets, other than the shares of our subsidiaries and our holdings of cash and cash equivalents. Our ability to pay dividends and repay debt depends on the continued transfer to us of dividends and other income from our subsidiaries. The ability of our subsidiaries to pay dividends and make other transfers to us may be limited by various regulatory, contractual and legal constraints that affect them.

We may fail to realize the benefits anticipated from acquisitions, divestments and significant investments we make from time to time

The business growth opportunities, revenue benefits, cost savings and other benefits we anticipated to result from our acquisitions, divestments and significant investments may not be achieved as expected, or may be delayed. Our divestments may also adversely affect our prospects. For example, we may be unable to fully implement our business plans and strategies for the combined businesses due to regulatory limitations, and we may face regulatory restrictions in our provision of combined services in some of the countries in which we operate. To the extent that we incur higher integration costs or achieve lower revenue benefits or fewer cost savings than expected, or if we are required to recognize impairments of acquired assets, investments or goodwill, our results of operations and financial condition may suffer.

A downgrade of Mexico's credit rating could affect us

Credit rating agencies regularly evaluate Mexico and its sovereign rating based on various factors including

macroeconomic trends, tax and budgetary conditions and indebtedness metrics. If Mexico's sovereign credit rating is downgraded by credit rating agencies, the rating of our securities may also be downgraded, which could negatively affect our financing costs and the market price of our securities.

RISKS RELATING TO THE TELECOMMUNICATIONS INDUSTRY GENERALLY

Changes in the telecommunications industry could affect our future financial performance

The telecommunications industry continues to experience significant changes as new technologies are developed that offer subscribers an array of choices for their communications needs. These changes include, among others, regulatory changes, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new products, evolving renewable energy and clean technologies, and changes in end-user needs and preferences. There is uncertainty as to the pace and extent of growth in subscriber demand, and as to the extent to which prices for airtime, broadband access, Pay TV and fixed-line rental may continue to decline. Our ability to compete in the delivery of high-quality internet and broadband services is particularly important, given the increasing contribution of revenues from data services to our overall growth. If we are unable to meet future advances in competing technologies on a timely basis or at an acceptable cost, we could lose subscribers to our competitors. In general, the development of new services in our industry requires us to anticipate and respond to the varied and continually changing demands of our subscribers. It also requires significant capital expenditure, including investment in the continual maintenance and upgrading of our networks, in order to expand coverage, increase our capacity to absorb higher bandwidth usage and adapt to new technologies. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints to our introduction of new services. If these services fail to gain acceptance in the marketplace, or if costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract subscribers could be adversely affected. This is true across many of the services we provide, including wireless and cable technology.

The intellectual property used by us, our suppliers or service providers may infringe on intellectual property rights owned by others

Some of our products and services use intellectual property that we own or license from others. We also provide content we receive from content producers and distributors, such as ringtones, text games, video games, video, including TV programs and movies, wallpapers or screensavers, and we outsource services to service providers, including billing and customer care functions, that incorporate or utilize intellectual property. We and some of our suppliers, content distributors and service providers have received, and may receive in the future, assertions and claims from third parties that the content, products or software utilized by us or our suppliers, content producers and distributors and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require us or an infringing supplier, content distributor or service provider to cease engaging in certain activities, including selling, offering and providing the relevant products and services. Such claims and assertions also could subject us to costly litigation and significant liabilities for damages or royalty payments, or require us to cease certain activities or prevent us from selling certain products or services.

Concerns about health risks relating to the use of wireless handsets and base stations may adversely affect our business

Portable communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions. Lawsuits have been filed in the United States against certain participants in the wireless industry alleging various adverse health consequences as a result of wireless phone usage, and our subsidiaries may be subject to similar litigation in the future. Government authorities could increase regulation on electromagnetic emissions of mobile handsets and base stations, which could have an adverse effect on our business, financial condition and results of operations. Research and studies are ongoing, and there can be no assurance that further research and studies will

not demonstrate a link between radio frequency emissions and health concerns. Any negative findings in these studies could adversely affect the use of wireless technology and, as a result, our future financial performance.

Developments in the telecommunications sector have resulted, and may result, in substantial write- downs of the carrying value of certain of our assets

Where the circumstances require, we review the carrying value of each of our assets, subsidiaries and investments in associates to assess whether those carrying values can be supported by the future discounted cash flows expected to be derived from such assets. Whenever we consider that due to changes in the economic, regulatory, business or political environment, our goodwill, investments in associates, intangible assets or fixed assets may be impaired, we consider the necessity of performing certain valuation tests, which may result in impairment charges. The recognition of impairments of tangible, intangible and financial assets could adversely affect our results of operations. See "Critical Accounting Policies and Estimates—Impairment of Long-Lived Assets" under Part II of this annual report.

RISKS RELATING TO OUR CONTROLLING SHAREHOLDERS, CAPITAL STRUCTURE AND TRANSACTIONS WITH AFFILIATES

Members of one family may be deemed to control us and may exercise their control in a manner that may differ from the interest of other shareholders

Based on reports of beneficial ownership of our shares filed with the SEC, Carlos Slim Helú, together with his sons, daughters and grandchildren (together, the "Slim Family") may be deemed to control us. The Slim Family may be able to elect a majority of the members of our Board of Directors and to determine the outcome of other actions requiring a vote of our shareholders. The interests of the Slim Family may diverge from the interests of our other investors.

We have significant transactions with affiliates

We engage in various transactions with Telesites, S.A.B. de C.V. ("Telesites") and certain subsidiaries of Grupo Carso, S.A.B. de C.V. ("Grupo Carso") and Grupo Financiero Inbursa, S.A.B. de C.V. ("Grupo Financiero Inbursa"), all which may be deemed for certain purposes to be under common control with América Móvil.

These transactions occur in the ordinary course of business. Transactions with affiliates may create the potential for conflicts of interest.

We also make investments together with related parties, sell investments to related parties and buy investments from related parties. For more information about our transactions with affiliates, see "Related Party Transactions" under Part IV of this annual report.

Our bylaws restrict transfers of shares in some circumstances

Our bylaws provide that any acquisition or transfer of 10.0% or more of our capital stock by any person or group of persons acting together requires the approval of our Board of Directors. You may not acquire or transfer more than 10.0% of our capital stock without the approval of our Board of Directors. See "Bylaws—Restrictions of Certain Transfers" under Part IV of this annual report.

The protections afforded to minority shareholders in Mexico are different from those in the United States

Under Mexican law, the protections afforded to minority shareholders are different from those in the United States. In particular, the law concerning fiduciary duties of directors is not as fully developed as in other jurisdictions, the procedure for class actions is different, and there are different procedural requirements for bringing shareholder lawsuits. As a result, in practice it may be more difficult for minority shareholders of América Móvil to seek remedies against us or our directors or controlling shareholders than it would be for shareholders of a company incorporated in another jurisdiction, such as Delaware.

Holders of L Shares and L Share ADSs have limited voting rights

Our bylaws provide that holders of L Shares are not permitted to vote, except on such limited matters as, among others, the transformation or merger of América Móvil or the cancellation of registration of the L Shares with the

Mexican Securities Registry (Registro Nacional de Valores, or "RNV") maintained by the CNBV or any stock exchange on which they are listed. If you hold L Shares or L Share ADSs, you will not be able to vote on most matters, including the declaration of dividends, which are subject to a shareholder vote in accordance with our bylaws.

Holders of ADSs are not entitled to attend shareholders' meetings, and they may only vote through the depositary

Under our bylaws, a shareholder is required to deposit its shares with a custodian in order to attend a shareholders' meeting. A holder of ADSs will not be able to meet this requirement and, accordingly, is not entitled to attend shareholders' meetings. A holder of ADSs is entitled to instruct the depositary as to how to vote the shares represented by ADSs, in accordance with procedures provided for in the deposit agreements, but a holder of ADSs will not be able to vote its shares directly at a shareholders' meeting or to appoint a proxy to do so.

Our bylaws may only be enforced in Mexico

Our bylaws provide that legal actions relating to the execution, interpretation or performance of the bylaws may be brought only in Mexican courts. As a result, it may be difficult for non- Mexican shareholders to enforce their shareholder rights pursuant to the bylaws.

It may be difficult to enforce civil liabilities against us or our directors, officers and controlling persons

América Móvil is organized under the laws of Mexico, with its principal place of business in Mexico City, and most of our directors, officers and controlling persons reside outside the United States. In addition, all or a substantial portion of our assets and their assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under U.S. federal securities laws. There is doubt as to the enforceability against such persons in Mexico, whether in original actions or in actions to judgments of U.S. courts, of liabilities based solely on U.S. federal securities laws.

You may not be entitled to participate in future preemptive rights offerings

Under Mexican law, if we issue new shares for cash as part of certain capital increases, we must grant our shareholders the right to purchase a sufficient number of shares to maintain their existing ownership percentage in América Móvil. Rights to purchase shares in these circumstances are known as preemptive rights. Our shareholders do not have preemptive rights in certain circumstances such as mergers, convertible debentures, public offers and placement of repurchased shares. We may not be legally permitted to allow holders of ADSs or holders of L Shares or A Shares in the United States to exercise any preemptive rights in any future capital increase unless we file a registration statement with the U.S. Securities and Exchange Commission (the "SEC") with respect to that future issuance of shares. At the time of any future capital increase, we will evaluate the costs and potential liabilities associated with filing a registration statement with the SEC and any other factors that we consider important to determine whether we will file such a registration statement.

We cannot assure you that we will file a registration statement with the SEC to allow holders of ADSs or U.S. holders of L Shares or A Shares to participate in a preemptive rights offering. As a result, the equity interest of such holders in América Móvil may be diluted proportionately. In addition, under current Mexican law, it is not practicable for the depositary to sell preemptive rights and distribute the proceeds from such sales to ADS holders.

RISKS RELATING TO DEVELOPMENTS IN MEXICO AND OTHER COUNTRIES

Economic, political and social conditions in Latin America, the United States, the Caribbean and Europe may adversely affect our business

Our financial performance may be significantly affected by general economic, political and social conditions in the markets where we operate. Many countries in Latin America and the Caribbean, including Mexico, Brazil and Argentina, have undergone significant economic, political and social crises in the past, and these events may occur again in the future. We cannot predict whether changes in political administrations will result in changes in governmental

policy and whether such changes will affect our business. Factors related to economic, political and social conditions that could affect our performance include:

- significant governmental influence over local economies;
- substantial fluctuations in economic growth;
- high levels of inflation, including hyperinflation;
- changes in currency values;
- exchange controls or restrictions on expatriation of earnings;
- high domestic interest rates;
- price controls;
- changes in governmental economic, tax, labor or other policies;
- imposition of trade barriers;
- changes in law or regulation; and
- overall political, social and economic instability.

Adverse economic, political and social conditions in Latin America, the United States, the Caribbean or in Europe may inhibit demand for telecommunication services and create uncertainty regarding our operating environment or may affect our ability to renew our licenses and concessions, to maintain or increase our market share or profitability and may have an adverse impact on future acquisitions, which could have a material adverse effect on our company. In addition, the perception of risk in the countries in which we operate may have a negative effect on the trading price of our shares and ADSs and may restrict our access to international financial markets.

In various countries where we operate, for example, elections took place during 2018, which could lead to economic, political and social changes over which we have no control. Our business may also be especially affected by conditions in Mexico and Brazil, two of our largest markets. Mexican elections in July 2018 resulted in a new president and in a new Congress with a majority of members in both houses representing a different political party from the parties that have been in power in the past. We cannot predict what changes in policy the Mexican administration may adopt, or their impact on our operations. Additionally, in Mexico, economic conditions are strongly impacted by those of the United States. There is continuing uncertainty regarding U.S. policies with respect to matters of importance to Mexico and its economy, particularly with respect to trade and migration.

Possible replacement of the LIBOR benchmark interest rate may have an impact on our business

On July 27, 2017, the U.K. Financial Conduct Authority (the authority that regulates LIBOR) announced that it would phase out LIBOR as a benchmark by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established such that it continues to exist after 2021. Potential changes, or uncertainty related to such potential changes may adversely affect the market for loans with LIBOR-indexed interest rates. When LIBOR ceases to exist, we may need to amend the credit and loan agreements with our lenders that utilize LIBOR as a factor in determining the interest rate based on a new standard that is established, if any. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have an adverse effect on our business, results of operations and financial condition.

Changes in exchange rates could adversely affect our financial condition and results of operations

We are affected by fluctuations in the value of the currencies in which we conduct operations compared to the currencies in which our indebtedness is denominated. Such changes result in exchange losses or gains on our net indebtedness and accounts payable. In 2019, we reported net foreign exchange gains of Ps.5.2 billion.

In addition, currency fluctuations between the Mexican peso and the currencies of our non-Mexican subsidiaries affect our results as reported in Mexican pesos. Currency fluctuations are expected to continue to affect our financial income and expense.

Major depreciation of the currencies in which we conduct operations could cause governments to impose exchange controls that would limit our ability to transfer funds between us and our subsidiaries

Major depreciation of the currencies in which we conduct operations may result in disruption of the international foreign exchange markets and may limit our ability to transfer or to convert such currencies into U.S. dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness. For example, although the Mexican government does not currently restrict, and for many years has not restricted, the right or ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or to transfer other currencies out of Mexico, it could institute restrictive exchange rate policies in the future. Similarly, the Brazilian government may impose temporary restrictions on the conversion of Brazilian reais into foreign currencies and on the remittance to foreign investors of proceeds from investments in Brazil whenever there is a serious imbalance in Brazil's balance of payments or a reason to foresee a serious imbalance. In the past, the government of Argentina has adopted restrictions on access to the foreign exchange market and the transfer of foreign currency outside Argentina. The Argentine government could impose further exchange controls or restrictions on the movement of capital and take other measures in the future in response to capital flight or a significant depreciation of the Argentine peso.

Developments in other countries may affect the market price of our securities and adversely affect our ability to raise additional financing

The market value of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other countries, including the United States, the European Union (the "EU") and emerging market countries. Although economic conditions in such countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Mexican issuers. Crises in the United States, the EU and emerging market countries may diminish investor interest in securities of Mexican issuers. This could materially and adversely affect the market price of our securities, and could also make it more difficult for us to access the capital markets and finance our operations in the future on acceptable terms or at all.




The Network



PART IV
SHARE OWNERSHIP AND TRADING

for your Growth

MAJOR SHAREHOLDERS

The following table sets forth our capital structure as of March 31, 2020.

SERIES	NUMBER OF SHARES (MILLIONS)	PERCENT OF COMBINED	CAPITAL A SHARES AND AA SHARES[1]
L Shares (no par value)	44,868	68.0%	–
AA Shares (no par value)	20,602	31.2%	97.5%
A Shares (no par value)	526	0.8%	2.5%
Total[2]	**65,996**	**100%**	**100%**

[1] The AA Shares and A Shares of América Móvil, together, are entitled to elect a majority of our directors. Holders of L Shares are entitled to limited voting rights under our bylaws. See "Bylaws—Voting Rights" under this Part IV.
[2] Figures in the table may not recalculate exactly due to rounding.

According to reports of beneficial ownership of our shares filed with the SEC, the Slim Family may be deemed to control us through their interests in a Mexican trust that holds AA Shares and L Shares for their benefit (the "Family Trust"), their interest in Inversora Carso, S.A. de C.V., including its subsidiary Control Empresarial de Capitales, S.A. de C.V. and their direct ownership of our shares. See "Management—Directors" and "Management—Executive Committee" under Part V and "Related Party Transactions" under this Part IV of this annual report.

The following table identifies owners of more than 5.0% of any series of our shares as of March 31, 2020. Except as described in the table below and the accompanying notes, we are not aware of any holder of more than 5.0% of any series of our shares. Figures below do not include L Shares that would be held by each shareholder upon conversion of AA Shares or A Shares, as provided for under our bylaws. See "Bylaws—Shareholders' Equity" under this Part IV and "Management—Share Ownership of Directors and Senior Management" under Part V of this annual report.

SHAREHOLDER	SHARES OWNED (MILLIONS)	PERCENT OF CLASS[1]
AA SHARES:		
Family Trust[2]	10,894	52.9%
Inversora Carso[3]	4,381	21.3%
Carlos Slim Helú	1,879	9.1%
L SHARES:		
Inversora Carso[3]	6,020	13.4%
Family Trust[2]	5,998	13.4%
Carlos Slim Helú	3,072	6.8%
BlackRock, Inc.[4]	2,616	5.8%

[1] Percentage figures are based on the number of shares outstanding as of March 31, 2020.
[2] The Family Trust is a Mexican trust that holds AA Shares and L Shares for the benefit of members of the Slim Family. In addition to shares held by the Family Trust, members of the Slim Family, including Carlos Slim Helú, directly own an aggregate of 3,558 million AA Shares and 9,570 million L Shares representing 17.3% and 21.3%, respectively, of each series. According to beneficial reports filed with the SEC, none of these members of the Slim Family, other than Carlos Slim Helú, individually directly own more than 5.0% of any class of our shares.
[3] Includes shares owned by subsidiaries of Inversora Carso. Based on beneficial ownership reports filed with the SEC, Inversora Carso is a Mexican sociedad anónima de capital variable and may be deemed to be controlled by the Slim Family.
[4] Based on beneficial ownership reports filed with the SEC.

As of March 31, 2020, 15.9% of the outstanding L Shares were represented by L Share ADSs, each representing the right to receive 20 L Shares, and 99.9% of the L Share ADSs were held by 6,726 registered holders with addresses in the United States. As of such date, 36.7% of the A Shares were held in the form of A Share ADSs, each representing the right to receive 20 A Shares, and 99.9% of the A Share ADSs were held by 3,318 registered holders with addresses in the United States. Each A Share may be exchanged at the option of the holder for one L Share.

We have no information concerning the number of holdings or holders with registered addresses in the United States that hold:

- AA Shares;
- A Shares not represented by ADSs; or
- L Shares not represented by ADSs.

RELATED PARTY TRANSACTIONS

Our subsidiaries purchase materials or services from a variety of companies that may be deemed for certain purposes to be under common control with us, including Telesites, Grupo Carso and Grupo Financiero Inbursa and their respective subsidiaries.

These services include insurance and banking services provided by Grupo Financiero Inbursa and its subsidiaries. In addition, we sell products in Mexico through the Sanborns and Sears Operadora México, S.A. de C.V. ("Sears") store chains. Some of our subsidiaries also purchase network construction services and materials from subsidiaries of Grupo Carso. Our subsidiaries purchase these materials and services on terms no less favorable than they could obtain from unaffiliated parties, and would have access to other sources if our related parties ceased to provide them on competitive terms.

We and Telesites have entered into an agreement providing for site usage fees, annual price escalations and fixed annual charges that permit us to install a pre-determined amount of equipment at the sites and provide for incremental fee payments if capacity use is exceeded. The principal economic terms of the agreement conform to the reference terms published by Telesites and approved by IFT.

Note 6 to our audited consolidated financial statements included in this annual report provides additional information about our related party transactions.

DIVIDENDS

We regularly pay cash dividends on our shares. The table below sets forth the nominal amount of dividends paid per share on each date indicated, in Mexican pesos and translated into U.S. dollars at the exchange rate reported by Banco de México, as published in the Official Gazette, for each of the respective payment dates.

PAYMENT DATE	PESOS PER SHARE	DOLLARS PER SHARE
November 11, 2019	Ps. 0.17	U.S.$ 0.0090
July 15, 2019	Ps. 0.18	U.S.$ 0.0095
November 12, 2018	Ps. 0.16	U.S.$ 0.0080
July 16, 2018	Ps. 0.16	U.S.$ 0.0085
November 13, 2017	Ps. 0.15	U.S.$ 0.0079
July 17, 2017	Ps. 0.15	U.S.$ 0.0085
November 14, 2016	Ps. 0.14	U.S.$ 0.0068
July 15, 2016	Ps. 0.14	U.S.$ 0.0076
November 13, 2015	Ps. 0.13	U.S.$ 0.0078
September 25, 2015	Ps. 0.30	U.S.$ 0.0177
July 17, 2015	Ps. 0.13	U.S.$ 0.0082

On April 24, 2020, our shareholders approved a dividend of Ps.0.38 per share, of which Ps.0.19 per share is payable on July 20, 2020 and Ps.0.19 is payable on November 9, 2020. Shareholders entitled to the dividend will have an option to receive it in a cash, as series L Shares or combination thereof.

The declaration, amount and payment of dividends by América Móvil is determined by majority vote of the holders of AA Shares and A Shares, generally on the recommendation of the Board of Directors, and depends on our results of operations, financial condition, cash requirements, future prospects and other factors considered relevant by the holders of AA Shares and A Shares.

Our bylaws provide that holders of AA Shares, A Shares and L Shares participate equally on a per-share basis in dividend payments and other distributions, subject to certain preferential dividend rights of holders of L Shares. See "Bylaws—Dividend Rights" and "Bylaws—Preferential Rights of L Shares" under this Part IV.

TRADING MARKETS

Our shares and ADSs are listed on the following markets::

SECURITY	STOCK EXCHANGE	TICKER SYMBOL
L Shares	Mexican Stock Exchange—Mexico City	AMXL
L Share ADSs	New York Stock Exchange—New York	AMX
A Shares	Mexican Stock Exchange—Mexico City	AMXA
A Share ADSs	New York Stock Exchange—New York	AMOV

BYLAWS

We are a *sociedad anónima bursátil de capital variable* organized under Mexican law. For a description of our AA Shares, A Shares and L Shares, and a brief summary of certain significant provisions in our current bylaws and Mexican law, see "Description of Securities Registered Under Section 12 of the Exchange Act," filed as Exhibit 2.1 with this annual report. For a description of our Board of Directors, Executive and Audit and Corporate Practices Committees and External Auditor, see "Management" under Part V of this annual report.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

We periodically repurchase our L Shares and A Shares on the open market using funds authorized by our shareholders specifically for the repurchase of L Shares and A Shares by us at our discretion. In the annual ordinary shareholders' meeting held on April 24, 2020, our shareholders authorized an allocation of Ps.6 billion to repurchase L Shares and A Shares from April 2020 to April 2021.

The following tables set out information concerning purchases of our L Shares and A Shares by us and our affiliated purchasers in 2019. We did not repurchase our L Shares or A Shares other than through the share repurchase program.

PERIOD	TOTAL NUMBER OF SHARES PURCHASED[1][3]	AVERAGE PRICE PER SHARE[3]	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS[3]	APPROXIMATE MEXICAN PESO VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS[2]
January 2019	3,400,000	Ps. 14.74	3,400,000	2,529,653,368
February 2019	5,008,180	14.28	5,008,180	2,458,160,850
March 2019	3,544,075	13.70	3,544,075	2,409,569,852
March 2019[4]	1,652	13.75	1,652	2,409,569,852
April 2019	3,346,504	14.19	3,346,504	2,960,276,576
May 2019	4,000,000	13.47	4,000,000	2,906,382,343
June 2019	750,000	14.04	750,000	2,895,853,559
July 2019	1,869,756	13.72	1,869,756	2,870,207,277
August 2019	4,712,186	13.06	4,712,186	2,808,649,183
September 2019	785,032	14.22	785,032	2,797,485,567
October 2019	350,000	14.87	350,000	2,792,279,567
November 2019	400,000	15.06	400,000	2,786,257,067
December 2019	2,410,311	14.78	2,410,311	2,750,633,256
Total L Shares	**30,576,044**		**30,576,044**	
Total A Shares	**1,652**		**1,652**	

(1) This includes purchases by us and our affiliated purchasers in 2019.
(2) This is the approximate peso amount available at the end of the period for purchases of both L Shares and A Shares pursuant to our share repurchase program.
(3) Refers to L Shares unless otherwise indicated.
(4) Refers to A Shares.

TAXATION OF SHARES AND ADSs

The following summary contains a description of certain Mexican federal and U.S. federal income tax consequences of the acquisition, ownership and disposition of L Shares, A Shares, L Share ADSs or A Share ADSs, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, hold or sell shares or ADSs.

This discussion does not constitute, and should not be considered as, legal or tax advice to holders. The discussion is for general information purposes only and is based upon the federal tax laws of Mexico (including the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) and the United States in effect on the date of this annual report, including the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion and the protocols thereto between the United States and Mexico currently in force (together, the "Tax Treaty") and the agreement between the United States and Mexico concerning the exchange of information with respect to tax matters. The Tax Treaty is subject to change, and such changes may have retroactive effects. Holders of shares or ADSs should consult their own tax advisors as to the Mexican, U.S. or other tax consequences of the purchase, ownership and disposition of shares or ADSs, including, in particular, the effect of any foreign, state or local tax laws.

MEXICAN TAX CONSIDERATIONS

The following is a general summary of the principal consequences under the Mexican Income Tax Law and the rules and regulations thereunder, as currently in effect, of an investment in shares or ADSs by a holder that is not a resident of Mexico and that will not hold shares or ADSs or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment in Mexico (a "nonresident holder").

For purposes of Mexican taxation, the definition of residence is highly technical and residence arises in several situations. Generally, an individual is a resident of Mexico if he or she has established his or her home or center of vital interests in Mexico, and a corporation is considered a resident if it has its place of effective management in Mexico. However, any determination of residence should take into account the particular situation of each person or legal entity.

If a legal entity or an individual is deemed to have a permanent establishment in Mexico for Mexican tax purposes, all income attributable to that permanent establishment will be subject to Mexican income taxes, in accordance with applicable tax laws.

This summary does not purport to be a comprehensive description of all the Mexican tax considerations that may be relevant to a decision to purchase, own or dispose of the shares. In particular, this summary (i) does not describe any tax consequences arising under the laws of any state, locality, municipality or taxing jurisdiction other than certain federal laws of Mexico and (ii) does not address all of the Mexican tax consequences that may be applicable to specific holders of the shares, including a holder:

- whose shares were not acquired through the Mexican Stock Exchange or other markets authorized by the Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público) or the Mexican Federal Tax Code;
- of shares or ADSs that control us;
- that holds 10.0% or more of our shares;
- that is part of a group of persons for purposes of Mexican law that controls us (or holds 10.0% or more of our shares); or
- that is a resident of Mexico or is a corporation resident in a tax haven (as defined by the Mexican Income Tax Law).

Tax Treaties

Provisions of the Tax Treaty that may affect the taxation of certain U.S. holders (as defined below) are summarized below.

The Mexican Income Tax Law has established procedural requirements for a nonresident holder to be entitled to benefits under any of the tax treaties to which Mexico is a party, including on dispositions and dividends. These procedural requirements include, among others, the obligation to (i) prove tax treaty residence, (ii) file tax calculations made by an authorized certified public

accountant or an informational tax statement, as the case may be, and (iii) appoint representatives in Mexico for taxation purposes. Parties related to the issuer may be subject to additional procedural requirements.

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to L Shares, A Shares, L Share ADSs or A Share ADSs will generally be subject to a 10.0% Mexican withholding tax (provided that no Mexican withholding tax will apply to distributions of net taxable profits generated before 2014).

Taxation of Dispositions

The tax rate on income realized by a nonresident holder from a disposition of shares through the Mexican Stock Exchange is generally 10.0%, which is applied to the net gain realized on the disposition. This tax is payable through withholding made by intermediaries. However, such withholding does not apply to a nonresident holder who certifies that the holder is resident in a country with which Mexico has entered into an income tax treaty.

The sale or other transfer or disposition of shares not carried out through the Mexican Stock Exchange and not held in the form of ADSs will be subject to a 25% tax rate in Mexico, which is applicable to the gross proceeds realized from the sale. Alternatively, a nonresident holder may, subject to certain requirements, elect to pay taxes on the net gain realized from the sale of shares at a rate of 35%.

The sale or disposition of ADSs through securities exchanges or markets recognized under the Mexican federal tax code (which includes the NYSE) by nonresidents who are residents of a country with which Mexico has entered into an income tax treaty is not subject to income tax in Mexico under the current tax rules. The tax treatment of such transfer of ADSs by nonresidents who are also not residents of a country with which Mexico has entered into an income tax treaty is not clear under the current Mexican tax rules.

Pursuant to the Tax Treaty, gains realized by a U.S. resident that is eligible to receive benefits pursuant to the Tax Treaty from the sale or other disposition of shares or ADSs, even if the sale or disposition is not carried out under the circumstances described in the preceding paragraphs, will not be subject to Mexican income tax, provided that the gains are not attributable to a permanent establishment or a fixed base in Mexico, and further provided that such U.S. holder owned less than 25% of the shares representing our capital stock (including ADSs), directly or indirectly, during the 12-month period preceding such disposition. U.S. residents should consult their own tax advisors as to their possible eligibility under the Tax Treaty.

Gains and gross proceeds realized by other nonresident holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax, in whole or in part. Non-U.S. holders should consult their own tax advisors as to their possible eligibility under such treaties.

Other Mexican Taxes

A nonresident holder generally will not be liable for estate, inheritance or similar taxes with respect to its holdings of shares or ADSs; provided, however, that gratuitous transfers of shares or ADSs may, in certain circumstances, result in the imposition of a Mexican tax upon the recipient. There are no Mexican stamp, issue registration or similar taxes payable by a nonresident holder with respect to shares or ADSs.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences to U.S. holders (as defined below) of the acquisition, ownership and disposition of shares or ADSs. The summary does not purport to be a comprehensive description of all of the tax consequences of the acquisition, ownership or disposition of shares or ADSs. The summary applies only to U.S. holders that will hold their shares or ADSs as capital assets and does not apply to special classes of U.S. holders, such as dealers in securities or currencies, holders with a functional currency other than the U.S. dollar, holders of 10.0% or more of our shares measured by vote or value (whether held directly or through ADSs or both), tax-exempt organizations, banks, insurance companies or other financial institutions, holders liable for the alternative minimum tax, securities traders electing to account for their investment in their shares or ADSs on a mark-to-market basis, entities that are treated for U.S. federal income tax purposes as partnerships or other pass-through entities or

equity holders therein and persons holding their shares or ADSs in a hedging transaction or as part of a straddle or conversion transaction.

For purposes of this discussion, a "U.S. holder" is a holder of shares or ADSs that is:

- a citizen or resident of the United States of America,
- a corporation (or other entity taxable as a corporation) organized under the laws of the United States of America or any state thereof or
- otherwise subject to U.S. federal income taxation on a net income basis with respect to the shares or ADSs.

Each U.S. holder should consult such holder's own tax advisor concerning the overall tax consequences to it of the ownership or disposition of shares or ADSs that may arise under foreign, state and local laws.

Treatment of ADSs

In general, a U.S. holder of ADSs will be treated as the owner of the shares represented by those ADSs for U.S. federal income tax purposes. Deposits or withdrawals of shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. U.S. holders that withdraw any shares should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any pesos received in respect of such shares.

Taxation of Distributions

In general, a U.S. holder will treat the gross amount of distributions we pay, without reduction for Mexican withholding tax, as dividend income for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits. Because we do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions paid to U.S. holders generally will be reported as dividends. In general, the gross amount of any dividends will be includible in the gross income of a U.S. holder as ordinary income on the day on which the dividends are received by the U.S. holder, in the case of shares, or by the depositary, in the case of ADSs.

Dividends will be paid in pesos and will be includible in the income of a U.S. holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date that they are received by the U.S. holder, in the case of shares, or by the depositary, in the case of ADSs (regardless of whether such pesos are in fact converted into U.S. dollars on such date). If such dividends are converted into U.S. dollars on the date of such receipt, a U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the dividends. U.S. holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any pesos received by a U.S. holder or depositary that are converted into U.S. dollars on a date subsequent to receipt. Dividends paid by us will not be eligible for the dividends-received deduction allowed to corporations under the U.S. Internal Revenue Code of 1986, as amended (the "Code").

The amount of Mexican tax withheld generally will give rise to a foreign tax credit or deduction for U.S. federal income tax purposes. Dividends generally will constitute "passive category income" for purposes of the foreign tax credit (or, in the case of certain U.S. holders, "general category income"). The foreign tax credit rules are complex. U.S. holders should consult their own tax advisors with respect to the implications of those rules for their investments in our shares or ADSs.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual with respect to the shares or ADSs will be subject to taxation at reduced rates if the dividends are "qualified dividends." Dividends paid on the shares or ADSs will be treated as qualified dividends if (i) (A) the shares or ADSs are readily tradable on an established securities market in the United States or (B) we are eligible for the benefits of a comprehensive tax treaty with the United States which the U.S. Treasury determines is satisfactory for purposes of this provision and which includes an exchange of information program, and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company ("PFIC"). The ADSs are listed on the NYSE, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the Tax Treaty meets the requirements for reduced rates of taxation,

and we believe we are eligible for the benefits of the Tax Treaty. Based on our audited consolidated financial statements and relevant market data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to the 2018 and 2019 taxable years. In addition, based on our audited consolidated financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income and relevant market data, we do not anticipate becoming a PFIC for the 2020 taxable year. Holders of shares or ADSs should consult their own tax advisors regarding the availability of the reduced dividend tax rate in the light of their own particular circumstances.

Distributions of additional shares or ADSs to U.S. holders with respect to their shares or ADSs that are made as part of a pro rata distribution to all of our shareholders generally will not be subject to U.S. federal income tax.

Taxation of Dispositions

A U.S. holder generally will recognize capital gain or loss on the sale or other disposition of the shares or ADSs in an amount equal to the difference between the U.S. holder's basis in such shares or ADSs (in U.S. dollars) and the amount realized on the disposition (in U.S. dollars, determined at the spot rate on the date of disposition if the amount realized is denominated in a foreign currency). Gain or loss recognized by a U.S. holder on such sale or other disposition generally will be long-term capital gain or loss if, at the time of disposition, the shares or ADSs have been held for more than one year. Long-term capital gain recognized by a U.S. holder that is an individual is taxable at reduced rates. The deductibility of a capital loss is subject to limitations.

Gain, if any, realized by a U.S. holder on the sale or other disposition of the shares or ADSs generally will be treated as U.S. source income for U.S. foreign tax credit purposes. Consequently, if a Mexican withholding tax is imposed on the sale or disposition of the shares, a U.S. holder that does not receive significant foreign source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of such Mexican taxes. U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, the shares or ADSs.

Information Reporting and Backup Withholding

Dividends on, and proceeds from the sale or other disposition of, the shares or ADSs paid to a U.S. holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the holder:

- establishes that it is an exempt recipient, if required, or
- provides an accurate taxpayer identification number on a properly completed Internal Revenue Service Form W-9 and certifies that no loss of exemption from backup withholding has occurred.

The amount of any backup withholding from a payment to a holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the Internal Revenue Service.

U.S. Tax Consequences for Non-U.S. holders

DISTRIBUTIONS. A holder of shares or ADSs that is, with respect to the United States, a foreign corporation or a nonresident alien individual (a "non-U.S. holder") will generally not be subject to U.S. federal income or withholding tax on dividends received on shares or ADSs, unless such income is effectively connected with the conduct by the holder of a U.S. trade or business.

DISPOSITIONS. A non-U.S. holder of shares or ADSs will not be subject to U.S. federal income or withholding tax on gain realized on the sale of shares or ADSs, unless:

- such gain is effectively connected with the conduct by the holder of a U.S. trade or business or
- in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

INFORMATION REPORTING AND BACKUP WITHHOLDING. Although non-U.S. holders generally are exempt from backup withholding, a non-U.S. holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.


The Network for



PART V
CORPORATE GOVERNANCE

MANAGEMENT

DIRECTORS

Our Board of Directors has broad authority to manage our company. Our bylaws provide for the Board of Directors to consist of between five and 21 directors and allow for the election of an equal number of alternate directors. Directors need not be shareholders. A majority of our directors and a majority of the alternate directors must be Mexican citizens and elected by Mexican shareholders.

A majority of the holders of the AA Shares and A Shares voting together elect a majority of the directors and alternate directors, provided that any holder or group of holders of at least 10.0% of the total AA Shares and A Shares is entitled to name one director and one alternate director. Two directors and two alternate directors, if any, are elected by a majority vote of the holders of L Shares. Each alternate director may attend meetings of the Board of Directors and vote in the absence of the corresponding director. Directors and alternate directors are elected or reelected at each annual general meeting of shareholders and each annual ordinary special meeting of holders of L Shares. In accordance with the Mexican Securities Market Law (*Ley del Mercado de Valores*), the determination as to the independence of our directors is made by our shareholders, though the CNBV may challenge this determination. Pursuant to our bylaws and the Mexican Securities Market Law, at least 25.0% of our directors must be independent. In order to have a quorum for a meeting of the Board of Directors, a majority of those present must be Mexican nationals.

At the annual shareholders' meetings held on April 24, 2020, 13 of the current members of the Board of Directors, as well as all current members of the Executive Committee and three of the Audit and Corporate Practices Committee, were reelected, and the Corporate Secretary and the Corporate Pro Secretary were reappointed, with 11 directors elected by the AA Shares and A Shares voting together and two directors elected by the L Shares. 54% of the members of the Board of Directors were considered independent by the annual ordinary general shareholders´ meeting held on April 24, 2020 and 8% of the members of the Board of Directors are women.

Our bylaws provide that the members of the Board of Directors are elected for a term of one year. Pursuant to Mexican law, members of the Board continue in their positions after the expiration of their terms for up to an additional 30-day period if new members are not elected. Furthermore, in certain circumstances provided under the Mexican Securities Market Law, the Board of Directors may elect temporary directors who then may be elected or replaced at the shareholders' meetings.

The names and positions of the members of the Board reelected or elected for the first time at the annual general shareholders' meeting held on April 24, 2020, their year of birth, and information concerning their committee membership and principal business activities outside América Móvil are set forth below:



Directors elected by holders of Series AA and Series A Shares:

CARLOS SLIM DOMIT Chairman of the Board and the Executive Committee	**Born:**	1967
	First elected:	2011
	Term expires:	2021
	Principal occupation:	Chairman of the Board of Telmex
	Other directorships:	Chairman of the Board of Grupo Carso and its subsidiaries
	Business experience:	Chief Executive Officer of Sanborn Hermanos, S.A. de C.V. ("Sanborn Hermanos")
PATRICK SLIM DOMIT Vice Chairman and Member of the Executive Committee	**Born:**	1969
	First elected:	2004
	Term expires:	2021
	Principal occupation:	Vice Chairman of our Board of Directors
	Other directorships:	Director of Grupo Carso, Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. ("IDEAL") and Telmex
	Business experience:	Chief Executive Officer of Grupo Carso and Vice President of Commercial Markets of Telmex
DANIEL HAJJ ABOUMRAD Director and Member of the Executive Committee	**Born:**	1966
	First elected:	2000
	Term expires:	2021
	Principal occupation:	Chief Executive Officer of América Móvil
	Other directorships:	Director of Grupo Carso and Telmex
	Business experience:	Chief Executive Officer of Compañía Hulera Euzkadi, S.A. de C.V.
LUIS ALEJANDRO SOBERÓN KURI Director	**Born:**	1960
	First elected:	2000
	Term expires:	2021
	Principal occupation:	Chief Executive Officer and Chairman of the Board of Serinem México, S.A. de C.V. (a subsidiary of Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE"))
	Other directorships:	Director of CIE; Director of Banco Nacional de México, S.A.
	Business experience:	Various positions at CIE

MANAGEMENT

FRANCISCO MEDINA CHÁVEZ Director	**Born:**	1956
	First elected:	2018
	Term expires:	2021
	Principal occupation:	Chief Executive Officer and Chairman of Grupo Fame, S.A. de C.V., and Chairman of Grupo Altozano
	Other directorships:	Director of Banamex Citigroup México and Telmex
	Business experience:	Director of Aeromexico and Mitsui Mexico
ERNESTO VEGA VELASCO Director, Chairman of the Audit and Corporate Practices Committee	**Born:**	1937
	First elected:	2007
	Term expires:	2021
	Principal occupation:	Retired. Member of the board of directors and audit and corporate practices, planning and finance and evaluation and compensation committees of certain companies.
	Other directorships:	Director of Kuo, S.A.B. de C.V., Dine, S.A.B. de C.V., Inmuebles Carso, IDEAL; and Industrias Peñoles, S.A.B. de C.V.
	Business experience:	Various positions in Desc Group, including Corporate Vice-President
RAFAEL MOISÉS KALACH MIZRAHI Director and Member of the Audit and Corporate Practices Committee	**Born:**	1946
	First elected:	2012
	Term expires:	2021
	Principal occupation:	Chairman and Chief Executive Officer of Grupo Kaltex, S.A. de C.V.
	Other directorships:	Director of Telmex and Grupo Carso
	Business experience:	Various positions in Grupo Kaltex



ANTONIO COSÍO PANDO
Director

Born:	1968
First elected:	2015
Term expires:	2021
Principal occupation:	Vice President of Grupo Hotelero las Brisas, S.A. de C.V. (“Grupo Brisas”), Compañía Industrial Tepeji del Río, S.A. de C.V., and Bodegas de Santo Tomás, S.A. de C.V.
Other directorships:	Director of Grupo Financiero Inbursa, Inmuebles Carso, Grupo Carso, Grupo Sanborns, Corporación Actinver S.A.B. de C.V., Grupo Aeromexico S.A.B. de C.V., and Telmex
Business experience:	Various positions in Grupo Brisas and Compañía Industrial Tepeji del Río, S.A. de C.V.

ARTURO ELÍAS AYUB
Director

Born:	1966
First elected:	2011
Term expires:	2021
Principal occupation:	Head of Strategic Alliances, Communications and Institutional Relations of Telmex; Chief Executive Officer of Fundación Telmex
Other directorships:	Chairman of the Board of Publicidad y Contenido Editorial, S.A. de C.V.; Director of Grupo Carso and its subsidiaries
Business experience:	Chief Executive Officer of Sociedad Comercial Cadena, President of Pastelería Francesa (El Globo) and President of Club Universidad Nacional, A.C.

OSCAR VON HAUSKE SOLÍS
Director

Born:	1957
First elected:	2011
Term expires:	2021
Principal occupation:	Chief Fixed-line Operations Officer of América Móvil
Other directorships:	Member of Telekom Austria’s Supervisory Board
Business experience:	Chief Executive Officer of Telmex Internacional S.A.B. de C.V., Chief Systems and Telecommunications Operators Officer of Telmex and member of KPN’s supervisory board

VANESSA HAJJ SLIM
Director

Born:	1997
First elected:	2018
Term expires:	2021

Directors elected by holders of Series L Shares

PABLO ROBERTO GONZÁLEZ GUAJARDO
Director and Member of the Audit and Corporate Practices Committee

Born:	1967
First elected:	2007
Term expires:	2021
Principal occupation:	Chief Executive Officer of Kimberly Clark de México
Other directorships:	Director of Kimberly Clark de México, S.A.B de C.V. ("Kimberly Clark de México"), Grupo Sanborns, Grupo Lala, S.A.B. de C.V. and Acciones y Valores Banamex S.A. de C.V. Casa de Bolsa
Business experience:	Various positions in the Kimberly Clark Corporation and Kimberly Clark de México

DAVID IBARRA MUÑOZ
Director

Born:	1930
First elected:	2000
Term expires:	2021
Principal occupation:	Retired
Other directorships:	Director of Grupo Financiero Inbursa, IDEAL and Grupo Carso
Business experience:	Chief Executive Officer of Nacional Financiera, S.N.C., served in the Mexican Ministry of Finance and Public Credit

The annual ordinary general shareholders' meeting held on April 24, 2020, determined that the following directors are independent: Messrs. Ernesto Vega Velasco, Pablo Roberto González Guajardo, David Ibarra Muñoz, Antonio Cosío Pando, Rafael Moisés Kalach Mizrahi, Luis Alejandro Soberón Kuri and Francisco Medina Chávez.

Alejandro Cantú Jiménez, our General Counsel, serves as Corporate Secretary and Rafael Robles Miaja as Corporate Pro-Secretary.

Patrick Slim Domit and Carlos Slim Domit are brothers. Daniel Hajj Aboumrad and Arturo Elías Ayub are brothers-in-law of Patrick Slim Domit and Carlos Slim Domit. Vanessa Hajj Slim is the daughter of Daniel Hajj Aboumrad.

EXECUTIVE COMMITTEE

Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, with certain exceptions. In addition, the Board of Directors is required to consult the Executive Committee before deciding on certain matters set forth in the bylaws, and the Executive Committee must provide its views within 10 calendar days following a request from the Board of Directors, the Chief Executive Officer or the Chairman of the Board of Directors. If the Executive Committee is unable to make a recommendation within ten calendar days, or if a majority of the Board of Directors or any other corporate body duly acting within its mandate determines in good faith that action cannot be deferred until the Executive Committee makes a recommendation, the Board of Directors is authorized to act without such recommendation. The Executive Committee may not delegate its powers to special delegates or attorneys-in-fact.

The Executive Committee is elected from among the directors and alternate directors by a majority vote of the

holders of common shares (AA Shares and A Shares). The majority of its members must be Mexican citizens and elected by Mexican shareholders. The current members of the Executive Committee are Messrs. Carlos Slim Domit, Patrick Slim Domit and Daniel Hajj Aboumrad. See "Major Shareholders" under Part IV of this annual report.

AUDIT AND CORPORATE PRACTICES COMMITTEE

Our Audit and Corporate Practices Committee is comprised of independent members of the Board of Directors. The Audit and Corporate Practices Committee consists of Messrs. Ernesto Vega Velasco (Chairman), Rafael Moisés Kalach Mizrahi and Pablo Roberto González Guajardo. The mandate of the Audit and Corporate Practices Committee is to assist our Board of Directors in overseeing our operations, establish and monitor procedures and controls in order to ensure that the financial information we distribute is useful, appropriate and reliable and accurately reflects our financial position. In particular, the Audit and Corporate Practices Committee is required to, among other things:

- provide opinions to the Board of Directors on certain matters as provided by the Mexican Securities Market Law;
- call shareholders' meetings and recommend inclusion of matters it deems appropriate on the agenda;
- inform the Board of Directors of our internal controls and their adequacy;
- select our auditors, review and pre-approve the scope and terms of their engagement and determine their compensation;
- monitor the performance of our auditors and re-evaluate the terms of their engagement;
- recommend procedures for preparing financial statements and internal controls;
- monitor internal controls and accounting for specified types of matters;
- propose procedures for the preparation of financial statements for internal use that are consistent with the published financial statements;
- assist the Board of Directors in preparing reports as provided by the Mexican Securities Market Law;
- discuss with our auditors the annual financial statements and the accounting principles being applied in the annual and the interim financial statements and, based on such discussions, recommend their approval to the Board of Directors;
- resolve disagreements between our management and auditors relating to our financial statements;
- request the opinion of independent experts when deemed appropriate or when required by law;
- approve services to be provided by our auditors or establish policies and procedures for the pre-approval of services by our auditors;
- obtain from our auditors a report that includes a discussion of critical accounting policies used by us, any alternative accounting treatments for material items that have been discussed by management with our auditors and any other written communications between our auditors and management;
- report to the Board of Directors on its activities;
- develop procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including for the confidential submission of concerns regarding such matters by employees;
- evaluate the performance of the external auditors;
- review and discuss our financial statements and advise the Board of Directors of the committee's recommendations for approval of such financial statements;
- receive and analyze recommendations and observations to its functions from shareholders, members of the Board of Directors and senior management and receive the authority to act upon such recommendations and observations;
- recommend to the Board of Directors procedures for the selection and succession of our Chief Executive Officer and our other principal executives;

- propose criteria for evaluating executive performance;
- analyze the proposals of the Chief Executive Officer concerning the structure and amount of compensation for our senior executives and raise them with the Board of Directors;
- review new executive compensation programs and the operations of existing programs; assist the Board of Directors in developing appropriate personnel policies;
- participate with the Board of Directors in developing a plan for employees to invest in our L Shares and review the implementation of such plan; and
- perform any other functions the Board of Directors may delegate to the Audit and Corporate Practices Committee.

Under certain circumstances specified in our bylaws, the Audit and Corporate Practices Committee is required to provide its opinion to the Board of Directors. The Company is required to make public disclosure of any Board action that is inconsistent with the opinion of the Audit and Corporate Practices Committee.

In addition, pursuant to our bylaws, the Audit and Corporate Practices Committee is in charge of our corporate governance functions under the Mexican securities laws and regulations and is required to submit an annual report to the Board of Directors with respect to our corporate and audit practices. The Audit and Corporate Practices Committee must request the opinions of our executive officers for purposes of preparing this annual report. The Board of Directors must seek the opinion of the Audit and Corporate Practices Committee regarding any transaction with a related party that is outside the ordinary course of our business as defined under the Mexican Securities Market Law. Each member of the Audit and Corporate Practices Committee is independent, as determined by our shareholders pursuant to the Mexican Securities Market Law and as defined under Rule 10A-3 under the Exchange.

SENIOR MANAGEMENT

The names, responsibilities and prior business experience of our senior officers are as follows:

DANIEL HAJJ ABOUMRAD Chief Executive Officer	**Appointed:**	2000
	Business experience:	Director of Telmex; Chief Executive Officer of Compañía Hulera Euzkadi, S.A. de C.V.
CARLOS JOSÉ GARCÍA MORENO ELIZONDO Chief Financial Officer	**Appointed:**	2001
	Business experience:	General Director of Public Credit at the Ministry of Finance and Public Credit; Managing Director of UBS Warburg; Associate Director of Financing at Petróleos Mexicanos (Pemex); Member of Telekom Austria's Supervisory Board; Member of KPN Supervisory Board
ALEJANDRO CANTÚ JIMÉNEZ General Counsel	**Appointed:**	2001
	Business experience:	Member of Telekom Austria's Supervisory Board; Attorney at Mijares, Angoitia, Cortés y Fuentes, S.C.

OSCAR VON HAUSKE SOLÍS Chief Fixed-line Operations Officer	**Appointed:**	2010
	Business experience:	Chief Executive Officer of Telmex Internacional S.A.B. de C.V.; Chief Systems and Telecommunications Officer of Telmex; Head of Finance at Grupo Condumex, S.A. de C.V.; Director of Telmex, Telmex Internacional, Empresa Brasileira de Telecomunicações S.A. ("Embratel"), and Net Serviços de Comunicação S.A. ("Net Serviços"); Member of Telekom Austria's Supervisory Board
ANGEL ALIJA GUERRERO Chief Wireless Operations Officer	**Appointed:**	2012
	Business experience:	Various positions in América Móvil

AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Ernesto Vega Velasco qualifies as an "audit committee financial expert," and Mr. Vega Velasco is independent under the definition of independence applicable to us under the rules of the NYSE.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate compensation paid to our directors (including compensation paid to members of our Audit and Corporate Practices Committee) and senior management in 2019 was approximately Ps.5.2 million and Ps.75 million, respectively. None of our directors is a party to any contract with us or any of our subsidiaries that provides for benefits upon termination of employment. We do not provide pension, retirement or similar benefits to our directors in their capacity as directors. Our executive officers are eligible for retirement and severance benefits required by Mexican law on the same terms as all other employees, and we do not separately set aside, accrue or determine the amount of our costs that is attributable to executive officers.

SHARE OWNERSHIP OF DIRECTORS AND SENIOR MANAGEMENT

Carlos Slim Domit, Chairman of our Board of Directors, holds 647 million (or 3.2%) of our AA Shares and 1,567 million (or 3.5%) of our L Shares directly. Patrick Slim Domit, Vice Chairman of our Board of Directors, holds 323 million (or 1.6%) of our AA Shares and 859 million (or 1.9%) of our L Shares directly. In addition, according to beneficial ownership reports filed with the SEC, Patrick Slim Domit and Carlos Slim Domit are beneficiaries of a trust that owns shares of the Company. See "Major Shareholders" under Part IV and "Bylaws—Shareholders' Equity" under Part IV of this annual report.

Except as described above, according to the information provided to us by our directors and members of senior management, none of our directors or executive officers is the beneficial owner of more than 1.0% of any class of our capital stock.

Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law and the regulations issued by the CNBV. We also comply with the Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*). On an annual basis, we file a report with the Mexican Banking and securities Commission and the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.

The table below discloses the significant differences between our corporate governance practices and those required for U.S. companies under the NYSE listing standards.

NYSE STANDARDS	OUR CORPORATE GOVERNANCE PRACTICES
DIRECTOR INDEPENDENCE	
Majority of board of directors must be independent. §303A.01. "Controlled companies" are exempt from this requirement. A controlled company is one in which more than 50.0% of the voting power is held by an individual, group or another company, rather than the public. §303A.00. As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.	Pursuant to the Mexican Securities Market Law, our shareholders are required to appoint a board of directors of no more than 21 members, 25% of whom must be independent. Certain persons are per se non-independent, including insiders, control persons, major suppliers and any relatives of such persons. In accordance with the Mexican Securities Market Law, our shareholders' meeting is required to make a determination as to the independence of our directors, though such determination may be challenged by the CNBV. There is no exemption from the independence requirement for controlled companies. Currently, the majority of our Board of Directors is independent.
EXECUTIVE SESSIONS	
Non-management directors must meet at regularly scheduled executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03.	Our non-management directors have not held executive sessions without management in the past, and they are not required to do so.
NOMINATING/CORPORATE GOVERNANCE COMMITTEE	
Nominating/corporate governance committee composed entirely of independent directors is required. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04.	Mexican law requires us to have one or more committees that oversee certain corporate practices, including the appointment of directors and executives. Under the Mexican Securities Market Law, committees overseeing certain corporate practices must be composed of independent directors. However, in the case of controlled companies, such as ours, only a majority of the committee members must be independent.
"Controlled companies" are exempt from these requirements. §303A.00. As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.	Currently, we do not have a nominating committee, and we are not required to have one. Our Audit and Corporate Practices Committee, which is composed of independent directors, oversees our corporate practices, including the compensation and appointment of directors and executives.

NYSE STANDARDS	OUR CORPORATE GOVERNANCE PRACTICES
COMPENSATION COMMITTEE	
Compensation committee composed entirely of independent directors is required, which must evaluate and approve executive officer compensation. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.02(a)(ii) and §303A.05. "Controlled companies" are exempt from this requirement. §303A.00.	We currently do not have a compensation committee, and we are not required to have one. Our Audit and Corporate Practices Committee, which is comprised solely of independent directors, evaluates and approves the compensation of management (including our CEO) and directors.
AUDIT COMMITTEE	
Audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the additional requirements under the NYSE standards is required. §§303A.06 and 303A.07.	We have an audit and corporate practices committee of three members. Each member of the Audit and Corporate Practices Committee is independent, as independence is defined under the Mexican Securities Market Law, and also meets the independence requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended. Our Audit and Corporate Practices Committee operates primarily pursuant to (1) a written charter adopted by our Board of Directors, which assigns to the Committee responsibility over those matters required by Rule 10A-3 (2) our bylaws and (3) Mexican law. For a more detailed description of the duties of our Audit and Corporate Practices Committee, see "Management" under Part V of this annual report.
EQUITY COMPENSATION PLANS	
Equity compensation plans and all material revisions thereto require shareholder approval, subject to limited exemptions. §§303A.08 and 312.03.	Shareholder approval is expressly required under Mexican law for the adoption or amendment of an equity compensation plan. Such plans must provide for similar treatment of executives in comparable positions.
SHAREHOLDER APPROVAL FOR ISSUANCE OF SECURITIES	
Issuances of securities (1) that will result in a change of control of the issuer, (2) that are to a related party or someone closely related to a related party, (3) that have voting power equal to at least 20.0% of the outstanding common stock voting power before such issuance or (4) that will increase the number of shares of common stock by at least 20.0% of the number of outstanding shares before such issuance requires shareholder approval. §§312.03(b)-(d).	Mexican law requires us to obtain shareholder approval for any issuance of equity securities. Under certain circumstances, however, we may sell treasury stock subject to the approval of our Board of Directors.
CODE OF BUSINESS CONDUCT AND ETHICS	
Corporate governance guidelines and a code of business conduct and ethics are required, with disclosure of any waiver for directors or executive officers. The code must contain compliance standards and procedures that will facilitate the effective operation of the code. §303A.10.	We have adopted a code of ethics, which applies to all of our directors and executive officers and other personnel. For more information, see "Corporate Governance—Code of Ethics" under Part V of this annual report.

NYSE STANDARDS	OUR CORPORATE GOVERNANCE PRACTICES
CONFLICTS OF INTEREST	
Determination of how to review and oversee related party transactions is left to the listed company. The audit committee or comparable body, however, could be considered the forum for such review and oversight. §314.00. Certain issuances of common stock to a related party require shareholder approval. §312.03(b).	In accordance with Mexican law, an independent audit committee must provide an opinion to the board of directors regarding any transaction with a related party that is outside of the ordinary course of business, which must be approved by the board of directors. Pursuant to the Mexican Securities Market Law, our Board of Directors may establish certain guidelines regarding related party transactions that do not require specific board approval.
SOLICITATION OF PROXIES	
Solicitation of proxies and provision of proxy materials is required for all meetings of shareholders. Copies of such proxy solicitations are to be provided to NYSE. §§402.01 and 402.04.	We are not required to solicit proxies from our shareholders. In accordance with Mexican law and our bylaws, we inform shareholders of all meetings by public notice, which states the requirements for admission to the meeting. Under the deposit agreement relating to our ADSs, holders of our ADSs receive notices of shareholders' meetings and, where applicable, instructions on how to instruct the depositary to vote at the meeting. Under the deposit agreement relating to our ADS, we may direct the voting of any ADS as to which no voting instructions are received by the depositary, except with respect to any matter where substantial opposition exists or that materially and adversely affects the rights of holders.

CONTROLS AND PROCEDURES

A) DISCLOSURE CONTROLS AND PROCEDURES

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2019. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

B) MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and other personnel, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of the inherent limitations in all control systems, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2019.

Our management's assessment and conclusion on the effectiveness of internal control over financial reporting as of December 31, 2019 excludes, in accordance with applicable guidance provided by the SEC, an assessment of the internal control over financial reporting of Nextel Telecomunicações Ltda. and subsidiaries, which we acquired in 2019. Nextel Telecomunicações Ltda represented 2.1% and 5.1% of our total and net assets, respectively, as of December 31, 2019, and represented 0.0% of revenues and net income by 0.0% for the year then ended. No material changes in our internal control over financial reporting were identified as a result of this acquisition.

Mancera, S.C. ("Mancera"), a member practice of Ernst & Young Global Limited, an independent registered public accounting firm, our independent auditor, issued an attestation report on our internal control over financial reporting on April 29, 2020.

C) ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control Over Financial Reporting

We have audited América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, América Móvil, S.A.B. de C.V. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

As indicated in the accompanying Management's Annual Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Nextel Telecomunicações Ltda. and its subsidiaries (Nextel Brazil), acquired in 2019, which is included in the 2019 consolidated financial statements of América Móvil, S.A.B. de C.V. and subsidiaries and constituted 2.1% and 5.1% of total and net assets, respectively, as of December 31, 2019, and represented 0.0% of revenues and net income by 0.0% for the year then ended. Our audit of internal control over financial reporting of América Móvil, S.A.B. de C.V. and subsidiaries also did not include an evaluation of the internal control over financial reporting of Nextel Brazil excluded from the scope of management's assessment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2019 and 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of three years in the period ended December 31, 2019, and the related notes, and our report dated April 29, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company´ s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definitions and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and

that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ MANCERA, S.C.

Mexico City, Mexico
April 29, 2020

D) CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.

There has been no change in our internal control over financial reporting during 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

CODE OF ETHICS

Our Code of Ethics codifies the ethical principles that govern our business and promotes, among other things, honest and ethical conduct, full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC, compliance with applicable governmental laws, rules and regulations, the prompt internal reporting of violations of the Code of Ethics and accountability for adherence to the Code of Ethics. Our Code of Ethics applies to all of our officers, senior management, directors and employees.

The full text of our Code of Ethics may be found on our website at www.americamovil.com.

CORPORATE SUSTAINABILITY REPORT

We have a corporate sustainability committee that seeks to foster greater operational efficiencies, promote social responsibility and adopt environmentally friendly initiatives.

Our corporate sustainability reports are available on our website at www.americamovil.com.




The Network



PART VI
REGULATION

MEXICO

Legal Framework

The legal framework for the regulation of telecommunications and broadcasting services is based on constitutional amendments passed in June 2013, the Federal Law on Telecommunications and Broadcasting (*Ley Federal de Telecomunicaciones y Radiodifusión*) enacted in July 2014 and the Federal Law on Economic Competition (*Ley Federal de Competencia Económica*) enacted in May 2014.

Under the framework, the IFT may determine whether there is a "preponderant economic agent" in the telecommunications sector, based on number of customers, traffic or network capacity. In 2014, the IFT determined that an "economic interest group" consisting of us and our Mexican operating subsidiaries (Telcel, Telmex and Telnor) as well as Grupo Carso and Grupo Financiero Inbursa, constitutes the "preponderant economic agent" in the telecommunications sector, based on a finding that we serve more than half of the customers in Mexico, as measured by the IFT on a national basis.

The IFT has authority to impose on any preponderant economic agent a special regulatory regime. The special regime is referred to as "asymmetric" regulation because it applies to one sector participant and not to the others. Pursuant to the IFT's determination that we are part of a group constituting a preponderant economic agent, we are subject to extensive asymmetric regulations in the telecom sector, which impacts our Mexican fixed-line and wireless businesses. See "—Asymmetric Regulation of the Preponderant Economic Agent" and "—Functional Separation of Telmex and Telnor Wholesale Services" under this Part VI. This legal framework has had a substantial impact on our business and operations in Mexico.

Principal Regulatory Authorities

The IFT is an autonomous authority that regulates telecommunications and broadcasting. It is headed by seven commissioners appointed by the President, and ratified by the Senate, from among candidates nominated by an evaluation committee. The IFT has authority over the application of legislation specific to the telecommunications and broadcasting sectors, and also over competition legislation as it applies to those sectors. The Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*) retains regulatory authority over a few specific public policy matters.

The Mexican government has certain powers in its relations with concessionaires, including the right to take over the management of an operator's networks, facilities and personnel in cases of imminent danger to national security, public order or the national economy, natural disasters and public unrest, as well as to ensure continuity of public services.

Telecommunications operators are also subject to regulation by the Federal Consumer Bureau (*Procuraduría Federal del Consumidor*) under the Federal Consumer Protection Law (*Ley Federal de Protección al Consumidor*), which regulates publicity, quality of services and information required to be provided to consumers.

Asymmetric Regulation of the Preponderant Economic Agent

We are currently subject to extensive specific asymmetric measures based on the IFT's determination that we, our Mexican operating subsidiaries (Telcel, Telmex Telnor, *Red Nacional Ultima Milla S.A.P.I. de C.V.* and *Red Ultima Milla Del Noroeste S.A.P.I. de C.V.*) and certain affiliates constitute the preponderant economic agent in the telecommunications sector. Below is a summary of what we believe are the most important measures applicable to us.

- ***Interconnection Rates.*** The Federal Law on Telecommunications and Broadcasting provides that we are not permitted to charge other carriers for the termination services we provide in our networks. These provisions were declared unconstitutional by the Mexican Supreme Court (*Suprema Corte de Justicia de la Nación*) in August 2017 with respect to wireless services and in April 2018 with respect to fixed services. As a result, the IFT ruled that, as of January 1, 2018, in the case of Telcel, and as of January 1, 2019, in the case of Telmex, we are able to charge other carriers for terminating calls to our networks at asymmetric rates established by the IFT. We continue to pay such carriers for their interconnection services in accordance with the fixed and mobile rates set by the IFT.



- ***Sharing Of Wireless Infrastructure and Services.*** We must provide other carriers access to (i) passive infrastructure, including towers, sites, ducts and rights of way, (ii) elements of our network that allow other carriers and mobile virtual network operators ("MVNOs") to use our network or resell those services we provide to our customers and (iii) domestic roaming services, in each case, pursuant to IFT pre-approved reference terms (*ofertas públicas de referencia*). If we cannot reach an agreement with other carriers or MVNOs, our rates may be determined by the IFT using a long-run average incremental costs methodology or, in the case of MVNOs, a "retail-minus" methodology.

  For mobile services, the IFT has the right to verify, through a replicability test, that MVNOs can match our end user rates.

- ***Sharing of Fixed Infrastructure and Services.*** We must provide other carriers access to (i) passive infrastructure, including towers, sites, ducts and rights of way, (ii) elements of our network that allow other carriers to use our network or resell those services we provide to our customers and (iii) our dedicated links. If we cannot reach an agreement with other carriers, our rates may be determined by the IFT using a long-run average incremental cost methodology.

  For fixed services, the IFT has the right to verify, through a replicability test, that other competitors can match our end user rates.

- ***Access to Local Loop.*** We must offer other carriers access to elements of our local network separately on terms and conditions (including rates) pre- approved by the IFT. The IFT has also ordered the legal and functional separation of the provision of wholesale regulated fixed services related to local loop (*acceso local*) and shared access and use of passive infrastructure. See "Functional Separation of Telmex and Telnor Wholesale Services" under this Part VI.

- ***Certain Obligations Relating to Retail Services.*** Rates for the provision of telecommunications services to our customers are subject to the IFT's prior authorization.

  We are also subject to certain obligations and restrictions relating to the sale of our services and products; such obligations include unlocking mobile devices for our customers and offering individually all services that we previously offered under a bundled plan.

- ***Content.*** We are subject to specific limitations on acquisitions of exclusive transmission rights to "relevant" content (*contenidos audiovisuales relevantes*), as determined from time to time by the IFT, including the Mexican national team soccer matches, the opening and closing ceremonies and certain matches of the FIFA World Cup, the semifinal and final matches of the Liga MX soccer tournament and the Super Bowl.

- ***Publication of Reference Terms.*** We are subject to obligations related to the publication of reference terms for all wholesale and interconnection services that are subject to asymmetric regulation.

The measures are transitory and may be amended or eliminated by the IFT, or terminated if it determines effective competition conditions exist in the telecommunications sector or if we cease to be considered a preponderant economic agent. The IFT reviews the impact of the asymmetrical measures every two years and may modify or eliminate measures or set forth new measures. In March 2017, the IFT issued a resolution that modified and added asymmetrical regulations for mobile and fixed services, including the legal and functional separation of Telmex and Telnor wholesale services, among other measures. The IFT already began a new review in the second quarter of 2019, which is expected to be completed in the first quarter of 2020. The new review may result in changes, which could include additional or reduced asymmetric regulations or the structural separation or divesture of assets of the preponderant economic agent.

We have challenged the determination that we are a preponderant economic agent and the asymmetric regulations in court. These challenges were denied in the case of Telmex, Telnor and the Company, and a final resolution is still pending in the case of Telcel. However, IFT's determinations are not suspended while legal challenges against them are resolved.

Functional Separation of Telmex and Telnor Wholesale Services

In March 2018, we received notice of an IFT resolution directed to the Company setting forth the terms under which we are required to separate the provision of wholesale regulated fixed services by Telmex and Telnor (the "Separation Plan").

In compliance with the Separation Plan and as of the date of this annual report, we have complied with all milestones of the Separation Plan including the following:

- ***New Companies.*** Telmex and Telnor established separate new corporations, *Red Nacional Ultima Milla* and *Red Ultima Milla Del Noroeste* (the "New Companies"), to provide local wholesale services related to the elements of the access network, including local access dedicated links, as well as those services related to passive infrastructure associated with the access network, such as ducts, poles and rights of way. The New Companies are subsidiaries of Telmex and they began operations as separated entities on March 6, 2020. The main features of the New Companies are as follows:
  - ***Price of Services.*** The prices and terms of the services provided by the New Companies are subject to IFT regulation, which could affect the viability and financial requirements of the New Companies.
  - ***Corporate Governance.*** The New Companies have their own corporate governance, including: (i) a board of directors with at least seven members, of which a majority (including the Chairman) is independent; (ii) a Chief Executive Officer and senior officers appointed by the boards of directors, different and independent from those of our Mexican concessionaire subsidiaries; (iii) an independent external auditor; (iv) an Audit Committee chaired by an independent member of the board of directors; and (v) a Regulatory Compliance Committee entirely composed of independent members. The bylaws of the New Companies were approved by the IFT. Independence for these purposes is used as defined under Mexican Securities Market Law.
    - Personnel. Subject to the discussion under "Services Through Union Employees" below, the New Companies have independent personnel necessary to provide wholesale services required by the Separation Plan.
    - Assets. The New Companies have the resources necessary to comply with their obligations and provide services.
    - Systems and Procedures. The New Companies have their own procedures, operating and management systems that are independent from those of Telmex and Telnor.
    - Branding. The New Companies have their own branding distinct from América Móvil's concessionaire subsidiaries. The brands must be dissociated from those of Telmex and Telnor by March 2022.
    - Principal Offices. The New Companies have their own principal offices distinct from those of América Móvil's concessionaire subsidiaries.
  - ***Services Through Union Employees.*** Certain employees that are members of a labor union provide services to the New Companies. These employees are functionally independent from Telmex and Telnor, and are under the operational control of the New Companies, however, their labor contracts remain with Telmex and Telnor.
- ***Wholesale Unit.*** Telmex and Telnor established a business unit to provide the remaining wholesale services to other concessionaires, including interconnection, co- location for interconnection, inter-city and international long-distance dedicated links, resale of telephone lines, broadband and bundles, as well as certain passive infrastructure services, including shared use of towers.

The implementation of the Separation Plan has been complex, and some features remain uncertain and may require further development. As a result, we are not yet able to identify all the possible consequences, but some of the consequences could have a material adverse impact on us.

We have challenged the resolution in the Mexican courts. However, legal challenges will not suspend the implementation of the Separation Plan and final determinations are pending.

Substantial Market Power Investigations

In 2007, the Federal Antitrust Commission (*Comisión Federal de Competencia Económica*, or "Cofeco") initiated two substantial market power investigations against Telcel



and determined that Telcel had substantial market power in the mobile termination services market and in the nationwide wireless voice and data services market. Telcel filed challenges against both decisions, and a final resolution of these challenges is still pending. If upheld, these decisions would allow the IFT to impose additional requirements as to rates, quality of service and information, among other matters.

In 2007, Cofeco initiated various investigations to evaluate whether Telmex and its subsidiary Telnor have substantial power in the markets for termination, origination, transit and wholesale dedicated-link circuits. Cofeco issued final resolutions concluding that Telmex and Telnor have substantial power in all four markets, which were challenged by Telmex and Telnor. The challenges related to each one of these markets have been denied, effectively upholding Cofeco's findings. Consequently, the IFT may impose specific tariff requirements or other special regulations with respect to the matters for which the challenges were denied, such as additional requirements regarding disclosure of information or quality of service.

In the case of the market for wholesale dedicated- link leasing, the IFT's predecessor, Cofetel, published an agreement in the Official Gazette, establishing requirements regarding tariffs, quality of service and information for dedicated-link circuits. Telmex and Telnor have filed petitions for relief against such resolutions, which are still pending. The regulation that could arise from these investigations has been already implemented by the IFT through the special regulatory regime for preponderant agents. However, given the uncertainty of the IFT's actions, we are not able to identify all possible consequences and as a result an adverse resolution could have an impact on the Company's future revenues in this market.

Concessions

Under the current legal framework, a carrier of public telecommunications networks, such as Telcel or Telmex, must operate under a concession. The IFT is an autonomous federal agency that grants new or extends existing concessions, which may only be granted to a Mexican citizen or corporation that has agreed to the concession terms and may not be transferred or assigned without the approval of the IFT. There are two types of concessions:

- **NETWORK CONCESSIONS.** Telcel, Telmex and its subsidiary Telnor hold network concessions, granted under the previous regulatory framework, to provide specified types of services. Their ability to migrate to the new regime of unified concessions and, consequently, to provide any and all telecommunications and broadcasting services, is subject to conditions, as described under "Migration of Concessions and Additional Services" below.
- **SPECTRUM CONCESSIONS.** Telcel holds multiple concessions, granted under both the previous and current regulatory frameworks, to provide wireless services that utilize frequencies of radio-electric spectrum. These concessions have terms of 15 to 20 years and may be extended for an additional term of equal length.

A public telecommunications concessionaire is required by law to establish an open-network architecture that permits interconnection and interoperability.

Termination of Concessions

Mexican legislation provides that under certain circumstances, some assets of a concessionaire may be acquired by the federal government upon termination of these concessions.

There is no specific guidance or precedent for applying these provisions, so the scope of assets covered, the compensation to the concessionaire and the procedures to be followed would depend on the type of concession, the type of assets and the interpretation of applicable legislation by the competent authorities at the time.

Migration of Concessions and Additional Services

The new legislative framework established the unified concession (*concesión única*), which allows the holder to provide all types of telecommunications and broadcasting services, and a regime under which an existing concession can be migrated to the new unified concession at the end of its term or upon request by the concession holder. A unified concession has a term of up to 30 years, extendable for up

to an equal term. Also, under this new framework a current concession may be modified to add services not previously contemplated therein.

However, as a result of our preponderant economic agent status, Telcel, Telmex and Telnor are subject to additional conditions for the migration to a unified concession or the addition of a service, such as Pay TV, to a current concession, including in certain cases (i) payment of any new concession fee to be determined by the IFT, (ii) compliance with current requirements under the network concession, the 2013 constitutional amendments, the 2014 legislation and any additional measures imposed by the IFT on the preponderant economic agent and (iii) such other requirements, terms and conditions as the IFT may establish in the concession itself. We expect the process of migration or additional services to be lengthy and complex. Consequently, Telcel, Telmex and Telnor may not be able to provide certain additional services, such as Pay TV and broadcasting, in the near term.

Telcel's Concessions

Telcel operates under several different network and spectrum concessions covering particular frequencies and regions, holding an average of 232.7 MHz of capacity in Mexico's nine regions in the 850 MHz, 1900 MHz,1.7/2.1 GHz, 2.5 GHz and 3.5 GHz bands. The following table summarizes Telcel's concessions.

FREQUENCY	COVERAGE AREA	INITIAL DATE	TERMINATION DATE
Band A (1900 MHz)	Nationwide	Sep. 1999	Oct. 2039
Band D (1900MHz)	Nationwide	Oct. 1998	Oct. 2038
Band B (850 MHz)	Regions 1, 2, 3	Aug. 2011	Aug. 2026
Band B (850 MHz)	Regions 4, 5	Aug. 2010	Aug. 2025
Band B (850 MHz)	Regions 6, 7, 8	Oct. 2011	Oct. 2026
Band B (850 MHz)	Region 9	Oct. 2015	Oct. 2030
Band F (1900MHz)	Nationwide	Apr. 2005	Apr. 2025
Bands A and B (1.7/2.1 GHz)	Nationwide	Oct. 2010	Oct. 2030
Bands H, I and J (1.7/2.1 GHz)	Nationwide	May 2016	Oct. 2030
Band 7 (2.5 GHz)	88% of the population	Jul. 2017	Sep. 2020[1] -Nov. 2028
Band 3.5 GHz	Nationwide	Oct. 2020[2]	Oct. 2040

[1] A request for extension has already been filed with the IFT.
[2] The term of this concession is currently in force and was extended by IFT in favor of Telmex until 2040 and afterwards it was assigned by Telmex to Telcel as of March 11, 2020.

Concessions Fees

All of Telcel's concessions granted or renewed on or after January 1, 2003 are required to pay annual fees for the use and exploitation of radio spectrum bands. The amounts payable are set forth by the annual Federal Fees Law (*Ley Federal de Derechos*) and vary depending on the relevant region and radio spectrum band.

Telmex's Concessions

Telmex's concession was granted in 1976 and is currently set to expire in 2026. In December 2016, the IFT granted Telmex a 30-year extension of this concession, which will become effective in 2026 and will be valid until 2056. The new terms of this concession will be issued in early 2023.

Telmex's subsidiary, Telnor, holds a separate concession, which covers one state and two municipalities in northwestern Mexico and will expire in 2026. The IFT also granted Telnor a 30-year extension of its concession, which will be effective in 2026 and will be valid until 2056. The material terms of Telnor's concession are similar to those of Telmex's concession.

In addition, Telmex currently holds concessions for the use of frequencies to provide point-to-point and point-to-multipoint transmission. Telmex obtained these



concessions, including the 3.5 GHz band assigned in favor of Telcel, for a term of up to 20 years and were extended by the IFT for additional 20-year terms.

In 2018, Telmex was notified of a resolution issued by the IFT, through which the IFT imposed a fine of Ps.2.5 billion derived from an alleged breach in 2013 and 2014 of certain minimum quality of service goals for dedicated link services. Telmex has exercised all legal remedies challenging such resolution and a final resolution is pending.

Rates for Wireless Service

Wireless services concessionaires are generally free to establish the prices they charge customers for telecommunications services. Wireless rates are not subject to a price cap or any other form of price regulation. The interconnection rates concessionaires charge other operators are also generally established by agreement between the parties and, if the parties cannot agree, may be imposed by the IFT, subject to certain guidelines, cost models and criteria. The IFT publishes at the end of the year the rates they would impose in the event of a dispute, eliminating all incentives for a negotiation among the parties. The establishment of interconnection rates has resulted, and may in the future result, in disputes between carriers and with the IFT.

As a result of the preponderance determination, Telcel's retail prices are subject to pre-approval by the IFT before they can take effect.

The IFT is also authorized to impose specific rate requirements on any carrier that is determined by the IFT to have substantial market power under the Federal Antitrust Law (*Ley Federal de Competencia Económica*) and the 2014 legislation. For more information on litigation related to the Federal Antitrust Law and the 2014 legislation, see "—Substantial Market Power Investigations" under this Part VI.

Rates for Fixed Service

Telmex's concessions subject its rates for basic retail telephone services in any period, including installation, monthly rent, measured local-service and long-distance service, to a ceiling on the price of a "basket" of such services, weighted to reflect the volume of each service provided by Telmex during the preceding period. Telmex is required to file a survey with the IFT every four years with its projections of units of operation for basic services, costs and prices. Telmex is free to determine the structure of its own rates, with the exception of domestic long-distance rates, which were eliminated in 2015 under the 2014 legislation, and of the residential fixed-line rates, which have a cap based on the long-run average incremental cost. As a result of the preponderance determination, Telmex's retail prices are subject to pre-approval by the IFT before they can take effect.

The price ceiling varies directly with the Mexican National Consumer Price Index (*Indice Nacional de Precios al Consumidor*), allowing Telmex to raise nominal rates to keep pace with inflation (minus a productivity factor set for the telecommunications industry), subject to consultation with the IFT. Telmex has not raised its nominal rates for many years. Under Telmex's concession, the price ceiling is also adjusted downward periodically to pass on the benefits of Telmex's increased productivity to its customers. The IFT sets a periodic adjustment for every four-year period to permit Telmex to maintain an internal rate of return equal to its weighted average cost of capital.

In addition, basic retail telephone services, as well as broadband services and "calling party pays" charges, are subject to a separate price ceiling structure based on productivity indicators. In each case, Telmex is required to submit a survey on productivity indicators to the IFT every two years, including a total factor productivity. The IFT establishes the productivity factor that will apply over the next two years, and, based on this, the IFT will approve the customer prices before they can take effect.

Prices for Telmex's wholesale services are established by the IFT based on the long-run average incremental cost model methodology.

REGULATION

BRAZIL

Legal Framework and Principal Regulatory Authorities

The Brazilian Telecommunications Law *(Lei Geral das Telecomunicações Brasileiras*) provides the framework for telecommunications regulation. The primary telecommunications regulator in Brazil is the Telecommunications Agency (*Agência Nacional de Telecomunicações*, or "Anatel"), which has the authority to grant concessions and licenses in connection with telecommunications services and the use of orbits, except broadcasting, and to adopt regulations that are legally binding on telecommunications services providers.

The Brazilian Congress has approved an updated legislation to modernize the current concession-based model to an authorization-based model. The updated law brings the possibility of allowing fixed-line concessionaires, such as Claro Brasil, to provide services under an authorization rather than a concession, as long as certain investment-related obligations are met. Under the new legislation, it is possible to extend the current concessions, as well as radio frequency licenses and orbital positions, for more than one period. The legislation also permits the possibility of a secondary market for trading cellphone frequencies. The legislation will be implemented by regulations promulgated by Anatel. We are currently evaluating the potential impact of this legislation on our operations.

Licenses

In 2014, we simplified our corporate structure, and our subsidiaries Embratel, Embratel Participações S.A. ("Embrapar") and Net Serviços were merged into Claro Brasil, with all licenses previously granted to our subsidiaries transferred to Claro Brasil. Following its acquisition of Brasil Telecomunicações S.A. in 2016, Claro Brasil relinquished the cable TV and data services licenses it had been transferred by Embrapar and Net Serviços.

In 2018, subsidiary Star One merged into Claro Brasil. As a result, all Brasilian satellite operation rights previously granted to Star One were transferred under the same terms and conditions to Claro Brasil. The satellite operation rights (AMC-12) covering regions outside of Brazil were relinquished by Star One before the merger.

In December 18, 2019, AMX announced the acquisition of 100% of the shares of Nextel Brazil and Sunbird Telecomunicações Ltda. ("Sundbird"), as well as its correspondent subsidiaries in Brazil. Nextel Brazil had authorizations to provide personal mobile services, specialized mobile services, multimedia communication services, paid fixed telephony services (national and international long-distance) and radiofrequency services in Brazil that were granted by Anatel. Sunbird had authorizations to provide specialized mobile services and radiofrequency services. Derived from the acquisition of Nextel Brazil and Sunbird by AMX, Anatel provided AMX with: (i) a term of 18 months to consolidate and cancel the overlapped authorizations granted in favor of Nextel Brazil and Sunbird; and (ii) a term of 2 months to adjust the radiofrequency thresholds.

In 2019, the subsidiary Primesys was merged into Claro Brasil. As a result, service authorizations granted to Primesys were transferred under the same terms and conditions to Claro Basil.

Our Brazilian subsidiaries hold licenses for the telecommunications services listed below and expect to continue acquiring spectrum if Anatel conducts additional public auctions, although Claro Brazil, like all of its peer competitors, is subject to a cap on the additional spectrum it may acquire per frequency band.



SUBSIDIARY	LICENSE	TERMINATION DATE
Claro Brasil	Fixed Local Voice Services	Indefinite
	Domestic and International Long-Distance	2025
	Voice Services	Indefinite
	Personal Communication Services	Indefinite
	Data Services	Indefinite
	Cable TV Services	Indefinite
	Mobile Maritime Services	Indefinite
	Global Mobile Satellite Services	Indefinite
Claro TV	DTH TV Services	Indefinite
	Data Services	Indefinite
Americel S.A.	Data Services	Indefinite
Telmex do Brasil	Data Services	Indefinite
Nextel Brazil	Personal Communication Services	Indefinite
	Domestic and International Long-Distance	Indefinite
	Data Services	Indefinite
	Trunking Services	Indefinite
Sunbird	Trunking Services	Indefinite

In addition, Claro Brasil has various orbital position authorizations for our satellite operations, which expire between 2022 and 2033, and radio frequency licenses to provide PCS, which expire between 2020 and 2032.

Nextel Brazil has radio frequency licenses to provide PCS, which expire between 2026 and 2031, and, radio frequency licenses to provide Trunking Services, which expire between 2020 and 2025, Sunbird has radio frequency licenses to provide Trunking Services, which expire in 2024.

Concessions

Claro Brasil holds two fixed-line concessions to provide domestic and international long-distance telephone services. The remaining telecommunications services provided by Claro Brasil are governed by a system of licenses instead of concession arrangements.

Concession Fees

Claro Brasil is required to pay a biennial fee equal to 2.0% of net revenues from wireless services, except for the final year of the 15 year term of its PCS authorizations, in which the fee equals 1.0% of net revenues from wireless services.

Claro Brasil is also required to pay a biennial fee during the term of its domestic and international long-distance concessions equal to 2.0% of the revenues from long-distance telephone services, net of taxes and social contributions, for the year preceding the payment.

Termination of Concessions

Our domestic and international long-distance fixed-line concessions provide that certain of our assets deemed "indispensable" for the provision of these services will revert to the Brazilian state upon termination of these concessions. Compensation for those assets would be their depreciated cost. See Note 17 to our audited consolidated financial statements included in this annual report.

Regulation of Rates

Anatel regulates rates (tariffs and prices) for all telecommunications services, except for fixed-line broadband services, Pay TV and satellite capacity rates, which are not regulated. In general, PCS license holders and fixed local voice services license-holders are authorized to increase basic plan rates annually. Domestic long-distance concession-holders may adjust rates annually only for inflation (less a factor determined by Anatel based on the productivity of each operator during the year). Claro Brasil may set international long-distance and mobile rates freely, provided that it gives Anatel and the public advance notice.

Regulation of Wholesale Market Competition

In November 2012, Anatel approved the General Competition Plan (*Plano Geral de Metas da Competição*, or "PGMC"), a comprehensive regulatory framework aimed at increasing competition in the telecommunications sector. The PGMC imposes asymmetric measures upon economic groups determined by Anatel to have significant market

power in any of the five wholesale markets in the telecommunications sector, on the basis of several criteria, including having over 20.0% of market share in the applicable market.

In 2012, Claro Brasil and three of its primary competitors were determined to have significant market power in the mobile wireless termination and national roaming markets. As a result, Claro Brasil was required to reduce mobile termination rates to 75.0% of the 2013 rates by February 2014, and to 50.0% of the 2013 rates by February 2015. In July 2014, Anatel established termination rates for mobile services applicable to operators with significant market power through 2019, based on a cost model, and in December 2018, Anatel established termination rates for mobile services applicable to operators with significant market power through 2023. Claro Brasil is also required to publish its reference roaming prices for voice, data and SMS on an annual basis, among other measures. These prices must be related to the Anatel reference values and need to be approved by Anatel before they can take effect. The approval of such prices by Anatel took place on January 2020.

In addition, Embratel was determined to have significant market power in the market for long-distance leased lines, Claro Brasil and Embratel were determined to have significant market power in the telecommunications infrastructure market, and Net Serviços was determined to have significant market power in the local coaxial transmissions market, together with several of their mobile and fixed-line competitors. Following the merger of Embratel and Net Serviços into Claro Brasil in 2014, Claro Brasil is required to publish, and Anatel approved its reference offers in each of these markets. Moreover, wholesale contracts entered into by operators determined to have significant market power for the sale of such operators' services are overseen for compliance purposes by independent third-party companies.

In 2018, Anatel approved Claro Brasil's most recent wholesale reference offers with respect to national roaming, telecommunications duct infrastructure, long- distance leased lines, high capacity transport above 34 Mbps, wireless networks interconnection, fixed network interconnection, internet network interconnection and internet links, which are reviewed and approved by Anatel on an annual basis.

Anatel also reviews its determination of which operators have significant market power on a quadrennial basis. Anatel began its first review of all telecom operators in 2014 and published the most recent list of operators with significant market power for each of the relevant markets in 2018. In addition to the review, in 2018 Anatel changed some of the asymmetric measures applicable under the PGMC and added two new wholesale markets covering high capacity transport and fixed network interconnection. Anatel has determined that Claro Brasil has significant market power in eight wholesale markets.

Network Usage Fees and Fixed-Line Interconnection Rates

In July 2014, Anatel approved a resolution establishing the reference terms for fees charged by operators in connection with the use of their mobile network and leased lines and set a price cap on fees charged for fixed network usage by operators deemed to have significant market power. Such fees, based on costs of allocation services (*coubicación*), have been applicable since February 2016.

Fixed-line operators determined by Anatel to have significant market power in the local fixed-line market may freely negotiate interconnection rates, subject to a price cap established by Anatel.

Other Obligations

Under applicable law and our concessions, Claro Brasil has an obligation to (i) comply with certain coverage obligations to ensure universal access to its fixed-line voice services, (ii) contribute to the funding of the country's transition from analogue to digital TV, (iii) meet quality-of-service targets and (iv) comply with applicable telecommunications services consumer rights.

COLOMBIA

Legal Framework and Principal Regulatory Authorities

The Information and Communications Ministry (*Ministerio de Tecnologías de la Información y las Comunicaciones*, or "ICT Ministry") and the Communications Regulatory Commission (*Comisión de Regulación de Comunicaciones*, or "CRC") are responsible for overseeing and regulating the



telecommunications sector. The main audiovisual regulatory authorities in Colombia with respect to Pay TV services are the CRC, the ICT Ministry and the Industry and Commerce Superintendence (*Superintendencia de Industria y Comercio*, or "SIC"). Claro is also subject to supervision by other government entities responsible for enforcing other regulations, such as antitrust rules or those protecting consumer rights.

Concessions

Comunicación Celular S.A. ("Comcel") is qualified to provide fixed and mobile services and was included in the registry of networks and services administered by the ICT Ministry. Such general authorization superseded all of Comcel's former concession contracts, and, consequently, such former concessions were terminated.

As a result of the termination of Comcel's former concessions, the ICT Ministry and Comcel began discussions with respect to the liquidation of the agreements governing those concessions. In light of the decision of the Colombian Constitutional Court (*Corte Constitucional de Colombia*) holding that certain laws limiting the reversion of assets of telecommunications providers did not apply to concessions granted prior to 1998 and, consequently, that reversion of assets under those earlier concessions would be governed by their contractual terms, the ICT Ministry obtained a domestic award ordering Comcel to revert assets under its earlier concessions to the Colombian government. Comcel challenged such award and the Company filed an international arbitration claim against Colombia arising from Colombia's measures.

Licenses and Permits

Comcel holds licenses to provide mobile services in the spectrum frequency bands shown in the table below.

FREQUENCY	BANDWIDTH	TERMINATION DATE
850 MHz	25 MHz	Mar. 2024
1900 MHz	10 MHz	Dec. 2039
	5 MHz	Sept. 2021
	15 MHz	Apr. 2024
2.5 GHz	30 MHz	Aug. 2023
	10 MHz	Feb. 2021[(1)]
	10 MHz	Mar. 2040
	10 MHz	Mar. 2040
	10 MHz	Mar. 2040
700 MHz	20 MHz	Pending

[(1)] Refers to a temporary license, which we renew on an annual basis.

In 2013, Telmex Colombia S.A. obtained permission to provide Pay TV services under any available technology, pursuant to the ICT Ministry's unified licensing system. The permission will expire in 2020 and may be renewed at the appropriate time for another 10-year term. On May 31, 2019, Telmex Colombia, S.A. merged into Comcel. The permission to provide Pay TV services granted in favor of Telmex Colombia, S.A. was simultaneously transferred to Comcel without modifications in connection with the merger. On July 30, 2019, Comcel's permission to provide Pay TV was incorporated under Comcel's general power to provide Pay TV granted to it under Law 1978 of 2019.

In 2017, the ICT Ministry issued a decree approving a higher cap on spectrum acquisitions by operators in low and high frequency bands. This new cap allows Comcel to participate in future spectrum auctions. The ICT Ministry has released its plan to conduct spectrum auctions in the 700 MHz, 1900 MHz and 2.5 GHz bands. The final resolution containing the auctions' terms and conditions was published by the ICT Ministry during the fourth quarter of 2019. The auction took place on December 20, 2019. A subsidiary of Novator Partners LLP, a London-based private equity firm (the "Novator Subsidiary"), participated in the auction as a new competitor in the market. The Novator Subsidiary was granted a 20MHz license to operate in the 700MHz frequency band and three blocks of 10MHz for the 2,500MHz frequency band. Colombia Telecomunicaciones (Movistar) and Colombia Movil (Tigo) also participated in the auction. Tigo was granted a 40MHz license to operate in the 700MHz frequency band. Colombia Telecomunicaciones was not granted any licenses in the auction.

Subsequently, the Novator Subsidiary resigned and refused to exercise its rights under the license to operate one block of 10MHz for the 2,500MHz frequency band. As a consequence, on February 11, 2020, the ICT Ministry initiated an administrative proceeding to evaluate and decide on the effects caused by such resignation. Comcel was notified by the ICT Ministry and was considered an interested third party in the administrative proceeding.

Asymmetric Charges

In 2012, the CRC issued resolutions seeking to correct an alleged market failure and imposing the following measures on Comcel: (i) asymmetric charges for mobile and incoming long-distance call terminations by other operators on Comcel's wireless network, with access rates lower than the rates we pay our competitors, and (ii) restrictions on the rates we charge our users for calls outside our network (off-net calls), which must not exceed the rates we charge for calls within our network (on-net calls). These asymmetric access charges ended in December 2016.

In January 2017, the Colombian government approved symmetrical access charges among established operators like Comcel, Movistar and Tigo. However, under current regulation, new market entrants continue to receive a higher rate than operators for a limited period.

In 2017, the CRC issued a resolution updating the list of relevant telecommunication markets by adding the mobile services market (including bundled mobile voice and data services) and by also including the mobile service market in the list of relevant markets subject to ex-ante regulation. In connection with the mobile services market, the CRC initiated a proceeding to evaluate Comcel's substantial market power in this new market and, if applicable, the imposition of asymmetric regulatory measures that could affect Comcel. As of the date of this annual report, a resolution is pending.

SOUTHERN CONE

ARGENTINA

The National Communications Agency (*Ente Nacional de Comunicaciones*, or "Enacom") is the main telecommunications regulatory authority in Argentina and became operational in 2016.

Fixed and mobile services providers are prohibited from providing DTH technology, which is currently the fastest way to provide Pay TV services. In 2017, the Argentine government issued a decree allowing telecommunications providers, including AMX Argentina S.A. ("AMX Argentina"), to provide Pay TV services via cable within a limited number of territories as of January 2018 and to the rest of the country as of January 2019. AMX Argentina has obtained the permissions necessary to provide Pay TV services via cable in accordance with the decree.

AMX Argentina holds licenses in the 700 MHz, 900 MHz, 1700/2100 MHz (AWS), 1900 MHz and 2600 MHz frequency bands, some of which expire in 15 years and some of which have no expiration date. Each license also contains certain coverage parameters, reporting and service requirements and provides Enacom a revocation right upon a material breach of the license terms.

All telecommunications providers in Argentina must contribute approximately 1.0% of their monthly revenues to finance the provision of telecommunications services in underserved areas and to underserved persons. All providers must also meet certain quality-of-service requirements.

CHILE

The General Telecommunications Law (*Ley General de Telecomunicaciones*) establishes the legal framework for telecommunications services in Chile, including the regulation of concessions, permits, rates and interconnection. The main regulatory agency of the telecommunications sector is the Chilean Transportation and Communications Ministry (*Ministerio de Transportes y Telecomunicaciones*), which acts primarily through the Undersecretary of Telecommunications (*Subsecretaría de Telecomunicaciones*, "SUBTEL").

Claro Chile S.A. ("Claro Chile") holds concessions to provide mobile and fixed-line services in the 700MHz, 850 MHz, 1900 MHz, 2.6 GHz, 3.4 GHz and 5.8 GHz frequency bands. Except for the concession to provide services in the 850 MHz frequency, which has an indefinite termination date, the concessions to provide services in the 700 MHz, 1900 MHz, 2.6 GHz, 3.4 GHz and 5.8 GHz frequencies have termination dates that vary from 2027 to 2045. Claro Chile also holds license to provide DTH technology services until



2024 and a license with an indefinite term to provide Pay TV services. In 2018, the Chilean Supreme Court (*Corte Suprema de Justicia*) issued a ruling requiring Claro to return 20 MHz of spectrum acquired through a band auction because Claro supposedly exceeded the limit of spectrum any given operator is permitted to hold. The return of such spectrum is currently being implemented before the Competition Court (*Tribunal de Defensa de la Libre Competencia*, or the "TDLC"). In addition, pursuant to the ruling, and in order to increase the maximum limit, SUBTEL initiated a review of such limit of spectrum through a regulatory proceeding before the TDLC, which shall now be reviewed by the Chilean Supreme Court.

Some of Claro Chile's concessions impose additional requirements, such as coverage, reporting and service quality requirements. The Chilean Transportation and Communications Ministry is authorized to terminate any concession in the event of specified breaches under the terms of such concessions. Additionally, Claro Chile's concession in the 700 MHz band imposes certain obligations to expand mobile and data services in rural areas. In 2017, the Undersecretary of Telecommunication approved Claro Chile's expansion project in connection with its obligations under its concession in the 700 MHz band.

PARAGUAY

The National Telecommunications Commission of Paraguay (*Comisión Nacional de Telecomunicaciones de Paraguay*) is in charge of supervising the telecommunications industry in Paraguay. It is authorized to cancel licenses in the event of specified breaches of the terms of a license.

AMX Paraguay, S.A. ("AMX Paraguay") holds licenses to operate in the 1900 MHz and the 1700/2100 MHz bands. AMX Paraguay also holds a nationwide internet access and data transmission license. In addition, AMX Paraguay holds licenses to provide DTH services and cable TV services. Additionally, in January 2018, AMX Paraguay participated in a spectrum auction and was awarded a license to provide telecommunications services in the 700 MHz band. In November 2018, the Telecommunications Commission of Paraguay granted the renewal of spectrum license in the 1900 MHz band. These licenses are renewable, subject to regulatory approval, and contain coverage, reporting and service requirements.

In November 2019, the Telecommunications Commission of Paraguay granted AMX Paraguay a license to provide internet access and data transmission services in the 3,500 MHz frequency band, effective until January 12, 2024

URUGUAY

The Regulatory Unit of Communications Services (*Unidad Reguladora de Servicios de Comunicaciones*) is in charge of the regulation of the telecommunications industry in Uruguay.

AM Wireless Uruguay, S.A. holds licenses to operate in the 1900 MHz, 1700/2100 MHz and 700 MHz frequency bands that expire in 2024, 2033, 2037, 2039 and 2045, and Telstar S.A. holds licenses to provide international long- distance communications and international and national data services that have no expiration date.

The license initially granted to Flimay S.A. ("Flimay") to provide DTH technology services in Uruguay has been contested by the government since 2012. In 2017, the executive branch of Uruguay held under a new ruling that Flimay does not have a valid license to provide DTH services in the country. Flimay requested this ruling be voided, but in February 2018, the executive branch of Uruguay, with support from the Administrative Court (TCA), requested the process be closed. As of the date of this annual report, a decision on Flimay's appeal is pending.

ANDEAN REGION

ECUADOR

The primary regulatory authorities for our mobile and fixed-line operations are the National Telecommunications, Regulation and Control Agency (*Agencia de Regulación y Control de las Telecomunicaciones*, or "Arcotel") and the Telecommunications and Information Society Ministry (*Ministerio de Telecomunicaciones y Sociedad de la Información*, or "Mintel"). Arcotel is responsible for the licensing and oversight of radio-electric spectrum use and telecommunications services provisions. Mintel is responsible for the promotion of equal access to telecommunications services.

The Telecommunications Law (*Ley Orgánica de Telecomunicaciones*), adopted in 2015, serves as the legal framework for telecommunications services. It established

new regulations for operators with significant market power, new penalties based on their gross incomes as well as additional fees also based on an operator's gross income, but that can vary depending on the size of their market share. Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel") has been deemed to have significant market power in the advanced wireless services market, and as a result, such fee payments are made on a quarterly basis on the dates established by Arcotel.

Conecel paid to the Ecuadorian government U.S. $29.7 million, which corresponds to 3.0% of its wireless services revenues generated in 2019. An arbitration proceeding to partially void the payment by Conecel of such fees was conducted and a decision in favor of the government was reached. Conecel has appealed this decision and, as of the date of this annual report, a decision of the Constitutional Court is pending.

Conecel holds concessions to operate in the 850MHz, 1900 MHz and AWS bands, which include concessions for PCS that expire in 2023. The PCS concession contains quality-of-service requirements for successful call completions, SMS delivery times, customer service, geographic coverage and other service conditions.

Conecel also holds licenses to provide internet value- added services, Pay TV Services (through DTH technology) and bearer services, expiring in 2021, 2023 and 2032, respectively.

Conecel, following the acquisition of Ecuador Telecom, S.A. in 2016, also holds a concession to offer fixed-line voice, public telephone and domestic and international long-distance wholesale services, as well as a license to provide Pay TV (through HFC technology) that expires in 2031.

Recalculation of Concession Fees

Arcotel initiated several proceedings to recalculate the variable portion of the concession fees payable under Conecel's concessions, which, as of the date of this annual report, is equivalent to 2.93% of Conecel's annual subscriber base revenues, in addition to its contribution for Universal Service (*Servicio Universal 1%*). These recalculation proceedings with Arcotel remain ongoing.

In 2018, Conecel paid Arcotel U.S.$11.9 million based on its annual revenues for the 2015 period and was required to pay U.S.$13 million based on its annual revenues for the 2016 period.

For its Universal Service contribution, Conecel was required to pay U.S.$5 million for the 2015 period and U.S.$6 million for the 2016 period. Conocel obtained a judicial order that suspended the collection process for the 2015 and 2016 periods.

All these recalculation proceedings are under dispute with Arcotel and subject to arbitration proceedings where resolutions are pending.

PERU

The Supervisory Agency for Private Investment in Telecommunication (*Organismo Supervisor de la Inversión Privada en Telecomunicaciones*, or "OSIPTEL") is in charge of the regulation of the telecommunications industry in Peru. The Ministry of Transport and Communications (*Ministerio de Transportes y Comunicaciones* or "MTC") grants concessions, permits and licenses. The Telecommunications Law (*Decreto Supremo N° 013-93-TCC Ley de Telecomunicaciones*), adopted in 1993, serves as the legal framework for telecommunications services.

América Móvil Perú, S.A.C. ("Claro Perú") holds nationwide concessions to provide wireless, PCS, fixed-line, local wholesale, domestic and international long-distance, Pay TV services (through DTH and HFC technologies), public telephone and value-added services (including internet access). The concessions allow Claro Perú to operate on the 450 MHz, 700 MHz, 850 MHz, 1900 MHz, 3.5 GHz and 10.5 GHz bands. As part of Claro Perú's acquisition of Olo del Perú S.A.C., TVS Wireless S.A.C. and their respective subsidiaries in 2016, Claro has a resale agreement with such companies to operate in certain regions on the 2.5 GHz band.

Spectrum reframing is the process conducted by the MTC to properly order the assignment of a frequency band in order to have continuous coverage nationwide and adequate bandwidth. The MTC issued the final decision on the spectrum reframing for the 2.5 Ghz band, granting 80 Mhz to TVS Wireless, S.A.C. (Lima and Callao) and Olo del Peru, S.A.C. (rest of the country).



Each of the concessions was awarded by the MTC and covers a 20-year period. The concessions contain coverage, reporting, service requirement and spectral efficiency goals. The MTC is authorized to cancel any of the concessions in the case of specified breaches of its terms.

EUROPE AND OTHER JURISDICTIONS

European Legal Framework and Principal Regulatory Authorities

The telecommunications regulatory framework in the EU is currently based on five Directives ("Framework", "Access and Interconnection", "Authorization", "Universal Service and Users' Rights" and "Privacy and Data Protection") that apply to all EU member countries and regulate all forms of fixed and wireless services, internet, broadcasting and transmission services. Austria, Bulgaria, Croatia and Slovenia are EU member countries. Macedonia and Serbia, candidates for accession to the EU, are expected to gradually harmonize their regulatory frameworks with the EU's framework. The framework is going to be replaced by the European Electronic Communications Code which is to be transposed into national law before December 21st, 2020.

In each European country in which we operate, we are also subject to a domestic telecommunications regulatory framework and to oversight by one or more local regulators.

Licenses

COUNTRY	FREQUENCY	TERMINATION DATE
AUSTRIA	800 MHz	Dec. 2029
	900 MHz	Dec. 2034
	1800 MHz	Dec. 2034
	2100 MHz	Dec. 2020
	2600 MHz	Dec. 2026
	3500 MHz	Dec 2039
BELARUS	900 MHz	Dec. 2020
	1800 MHz	Dec. 2020
	2100 MHz	Dec. 2020
BULGARIA	900 MHz	June 2024
	1800 MHz	June 2024
	2100 MHz	Apr. 2025
CROATIA	800 MHz	Oct. 2024
	900 MHz	Oct. 2024
	1800 MHz	Oct. 2024
	2100 MHz	Oct. 2024
MACEDONIA	800 MHz	Dec. 2033
	900 MHz	Sept. 2023
	1800 MHz	Dec. 2033
	2100 MHz	Feb. 2028
SERBIA	800 MHz	Jan. 2026
	900 MHz	Nov. 2026
	1800 MHz	Nov. 2026
	2100 MHz	Nov. 2026
SLOVENIA	800 MHz	May 2029
	900 MHz	Jan. 2031
	1800 MHz	Jan. 2031
	2100 MHz	Sept. 2021
	2600 MHz	May 2029

OTHER JURISDICTIONS

COUNTRY	PRINCIPAL REGULATORY AUTHORITIES	CONCESSION AND LICENSES
COSTA RICA	Superintendency of Telecommunications (*Superintendencia de Telecomunicaciones*) Ministry of Science, Technology and Telecommunications (*Ministerio de Ciencia, Tecnología y Telecomunicaciones*)	• Concessions in the AWS and 1800 MHz bands that expire in 2032 • Concessions in the 2100 MHz band that expire in 2026 • License to operate Pay TV services using DTH technology that will expire in 2026
EL SALVADOR	Electricity and Telecommunications Superintendency (*Superintendencia General de Electricidad y Telecomunicaciones*)	• Concession of 50 MHz in the 1900 MHz band of which 30 MHz that expire in 2038, 10 MHz that expire in 2041 and 10 MHz that expire in 2028 • Concession to provide public telephone service that expires in 2027 • Licenses to provide Pay TV Services through HFC and DTH technologies have an indefinite term
GUATEMALA	Guatemalan Telecommunications Agency (*Superintendencia de Telecomunicaciones*)	• Licenses to use 12 MHz in the 900 MHz band and 120 MHz in the 1900 MHz band that all expire in 2033 • Concession of 175 MHz in the 3.5 GHz band that will expire in 2033
NICARAGUA	Nicaraguan Telecommunications and Mailing Institute (*Instituto Nicaragüense de Telecomunicaciones y Correos*)	• Concessions in the 700 MHz, 850 MHz, 1900 MHz and 1700/2100 MHz bands that all expire in 2032 • Concession of 50 MHz in the 3.5 GHz band that will expire in 2042 • Licenses to provide DTH technology that will expire in January 2028 (renewal granted in 2018) and Pay TV services that has an indefinite term
HONDURAS	Honduran National Telecommunications Commission (*Comisión Nacional de Telecomunicaciones*)	• Concessions to use 80 MHz in the 1900 MHz PCS band and 40 MHz in the LTE-4G 1700/2100 MHz band that all expire in 2033 • Licenses to operate Pay TV services through (i) HFC technology that will expire in 2027 and (ii) DTH technology that will expire in 2020
PANAMA	National Authority of Public Services (*Autoridad Nacional de los Servicios Públicos*)	• License to use 40 MHz in the 1900 MHz and 20 MHz in the 700 MHz bands that all expire in 2028 • Licenses to provide fixed local and long-distance services that expire in 2030



COUNTRY	PRINCIPAL REGULATORY AUTHORITIES	CONCESSION AND LICENSES
		• License to provide internet service that expires in 2033 • Licenses to provide international long-distance, value-added services, interactive television, and Pay TV service through DTH and IPTV technologies, which expire in 2028, 2030, 2037 and 2034, respectively • License for data transportation, Service No. 200, which expires in 2023
UNITED STATES	The FCC	• International Section 214 Authorization (Claro Enterprise Solutions)
DOMINICAN REPUBLIC	Dominican Institute of Telecommunications (*Instituto Dominicano de las Telecomunicaciones*)	• Concession to provide fixed and wireless services, internet and pay TV services through DTH and IPTV technologies that expire in 2030 • Licenses to use 25 MHz in the 800 MHz band, 30 MHz in the 1900 MHz band, 80 MHz in the 2.5/2.7 GHz band, 30 MHz in the 3.5 GHz band and 40 MHz in the 1.7/2.1 GHz (AWS) band that expire in 2030
PUERTO RICO	Federal Communications Commission (FCC) and the Telecommunications Bureau of Puerto Rico	• Concessions to use the 700 MHz, 1900 MHz and the 28 GHz bands that expire in 2021, 2027 and 2029, respectively • Concessions to use the 800 MHz that expire in, 2020, 2021 and 2026 and 2028. • Concessions to use the AWS-1 and AWS-3 bands (1.7/2.1 GHz) that expire in 2026 and 2028, respectively • Long-term transfer lease concessions to use 35.6 MHz of the 2.5 GHz band that expire in 2020, 2022, 2023, 2025 and 2026 • Franchise to operate Pay TV services using IPTV technology that expires in 2030


The Network for



PART VII
ADDITIONAL INFORMATION

Development

EMPLOYEES

Many of our employees are members of labor unions with which we conduct collective negotiations on wages, benefits and working conditions. We believe that we have good current relations with our workforce.

The following table sets forth the total number of employees and a breakdown of employees by main category of activity and geographic location, as of the end of each year in the three-year period ended December 31, 2019.

	DECEMBER 31,		
	2017	2018	2019
NUMBER OF EMPLOYEES	**191,851**	**189,448**	**191,523**
CATEGORY OF ACTIVITY:			
Wireless	78,910	77,845	83,091
Fixed	94,496	92,429	87,034
Other businesses	18,445	19,174	21,398
GEOGRAPHIC LOCATION:			
Mexico	88,417	88,613	89,539
South America	64,619	62,500	61,058
Central America	9,694	9,586	10,372
United States	852	848	859
Caribbean	9,311	9,195	11,351
Europe	18,958	18,706	18,344

LEGAL PROCEEDINGS

In each of the countries in which we operate, we are party to various legal proceedings in the ordinary course of business. These proceedings include tax, labor, antitrust, contractual matters and administrative and judicial proceedings concerning regulatory matters such as interconnection and tariffs. We are party to a number of proceedings regarding our compliance with administrative rules and regulations and concession standards.

Our material legal proceedings are described in Note 17 to our audited consolidated financial statements included in this annual report and in “Regulation” under Part VI of this annual report.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT AND NON-AUDIT FEES

The following table sets forth the fees billed to us and our subsidiaries by our independent registered public accounting firm, Mancera, during the fiscal years ended December 31, 2018 and 2019:

	YEAR ENDED DECEMBER 31,	
	2018	2019
	(in millions of Mexican pesos)	
Audit fees[1]	Ps. 248	Ps. 250
Audit-related fees[2]	23	17
Tax fees[3]	30	34
Total fees	Ps. 301	Ps. 301

(1) Audit fees represent the aggregate fees billed by Mancera and its Ernst & Young Global affiliated firms in connection with the audit of our annual financial state- ments and statutory and regulatory audits.
(2) Audit-related fees represent the aggregate fees billed by Mancera and its Ernst & Young Global affiliated firms for the review of reports on our operations submitted to IFT and attestation services that are not required by statute or regulation.
(3) Tax fees represent fees billed by Mancera and its Ernst & Young Global affiliated firms for tax compliance services, tax planning services and tax advice services.

AUDIT AND CORPORATE PRACTICES COMMITTEE APPROVAL POLICIES AND PROCEDURES

Our audit and corporate practices committee has established policies and procedures for the engagement of our independent auditors for services.

Our audit and corporate practices committee expressly approves any engagement of our independent auditors for audit or non-audit services provided to us or our subsidiaries. Prior to providing any service that requires specific pre-approval, our independent auditor and our Chief Financial Officer present to the audit committee a request for approval of services in which they confirm that the request complies with the applicable rules.

ADDITIONAL INFORMATION

We file reports, including annual reports on Form 20-F, and other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers.

Any filings we make electronically will be available to the public over the internet at the SEC's web site at www.sec.gov and at our website at www.americamovil.com. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, which might be accessible through a hyperlink resulting from this URL, is not incorporated into this annual report.

The following documents have been filed with the SEC as exhibits to this annual report:

1.1	Amended and Restated Bylaws (*estatutos sociales*) of América Móvil, S.A.B. de C.V., dated as of April 16, 2018 (together with an English translation) (incorporated by reference to Exhibit 1.1 of our annual report on Form 20-F File No. 001-16269, filed on April 26, 2018).
2.1	Description of Rights of Each Class of Securities
8.1	List of certain subsidiaries of América Móvil, S.A.B. de C.V.
12.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certification pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
15.1	Code of Ethics (incorporated by reference to Exhibit 14.1 of our annual report on Form 20-F, File No. 001-16269, filed on April 26, 2018).
15.2	Consent of independent registered public accounting firm.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Document.

Omitted from the exhibits filed with this annual report are certain instruments and agreements with respect to long-term debt of América Móvil, none of which authorizes securities in a total amount that exceeds 10% of the total assets of América Móvil. We hereby agree to furnish to the SEC copies of any such omitted instruments or agreements as the Commission requests.

FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this annual report constitutes "forward- looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we have based these forward-looking statements on our expectations and projections about future events, it is possible that actual events may differ materially from our expectations. In many cases, we include, together with the forward-looking statements themselves, a discussion of factors that may cause actual events to differ from our forward-looking statements.

Examples of forward-looking statements include the following:

- projections of our commercial, operating or financial performance, our financing, our capital structure or our other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to acquisitions, competition and rates;
- statements concerning regulation;
- the impact of COVID-19;
- or regulatory developments;
- statements about our future economic performance or that of Mexico or other countries in which we operate;
- competitive developments in the telecommunications sector;
- other factors and trends affecting the telecommunications industry generally and our financial condition in particular; and
- statements of assumptions underlying the foregoing statements.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under "Risk Factors," include the impact of the COVID-19 pandemic, economic and political conditions and government policies in Mexico, Brazil, Colombia, Europe and elsewhere, inflation rates, exchange rates, regulatory developments, technological improvements, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

FORM 20-F CROSS REFERENCE GUIDE

ITEM	FORM 20-F CAPTION	LOCATION IN THIS REPORT	PAGE
1	**IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**	Not applicable	—
2	**OFFER STATISTICS AND EXPECTED TIMETABLE**	Not applicable	—
3	**KEY INFORMATION**		
	3A Selected financial data	Selected financial data	2
	3B Capitalization and indebtedness	Not applicable	—
	3C Reasons for the offer and use of proceeds	Not applicable	—
	3D Risk factors	Risk factors	45
4	**INFORMATION ON THE COMPANY**		
	4A History and development of the Company	Information on the Company	5
		Note 10—Property, Plant and Equipment, Net	F-39
		Liquidity and capital resources	36
		Additional Information	109
	4B Business overview	Information on the Company	5
		Regulation	89
	4C Organizational structure	Exhibit 8.1	—
	4D Property, plant and equipment	Information on the Company	5
		Note 10—Property Plant and Equipment, Net	F-39
		Liquidity and capital resources	36
		Regulation	89
4A	Unresolved staff comments	None	—
5	**OPERATING AND FINANCIAL REVIEW AND PROSPECTS**		
	5A Operating results	Overview	20
		Results of operations	22
		Regulation	89
		Liquidity and capital resources	36
	5B Liquidity and capital resources	Note 14—Debt	F-51
	5C Research and development, patents and licenses, etc.	Not applicable	—
	5D Trend information	Overview	20
		Results of operations	22
	5E Off-balance sheet arrangements	Off-balance sheet arrangement	36
	5F Tabular disclosure of contractual obligations	Contractual obligations	37
6	**DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**		
	6A Directors and senior management	Management	70
	6B Compensation	Management	70
	6C Board practices	Management	70
		Management	70
	6D Employees	Employees	107
	6E Share ownership	Major shareholders	60
		Management	70

ITEM	FORM 20-F CAPTION	LOCATION IN THIS REPORT	PAGE
7	**MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**		
	7A Major shareholders	Major shareholders	60
	7B Related party transactions	Related party transactions	61
	7C Interests of experts and counsel	Not applicable	—
8	**FINANCIAL INFORMATION**		
	8A Consolidated statements and other financial information	Consolidated Financial Statements	116
		Dividends	62
		Note 17—Commitments and Contingencies	F-59
	8B Significant changes	Not applicable	—
9	**THE OFFER AND LISTING**		
	9A Offer and listing details	Trading markets	62
	9B Plan of distribution	Not applicable	—
	9C Markets	Trading markets	62
	9D Selling shareholders	Not applicable	—
	9E Dilution	Not applicable	—
	9F Expenses of the issue	Not applicable	—
10	**ADDITIONAL INFORMATION**		
	10A Shareholders' equity	Bylaws	62
	10B Memorandum and articles of association	Bylaws	62
	10C Material contracts	Information on the Company	5
		Results of operations	22
		Related party transactions	61
		Regulation	89
	10D Exchange controls	Additional information	109
	10E Taxation	Taxation of shares and ADSs	64
	10F Dividends and paying agents	Not applicable	—
	10G Statement by experts	Not applicable	—
	10H Documents on display	Additional information	109
	10I Subsidiary information	Not applicable	—
11	**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**	Risk management	41
		Note 2 a)—Basis of Preparation of the Consolidated Financial Statements and Summary of Significant Accounting Policies and Practices	F-7
12	**DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**		
	12A Debt securities	Not applicable	—
	12B Warrants and rights	Not applicable	—
	12C Other securities	Not applicable	—
	12D American Depositary Shares	Bylaws	62
13	**DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**	Not applicable	—

FORM 20-F CROSS REFERENCE GUIDE

ITEM	FORM 20-F CAPTION	LOCATION IN THIS REPORT	PAGE
14	MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY		
	HOLDERS AND USE OF PROCEEDS	Not applicable	—
15	CONTROLS AND PROCEDURES	Controls and procedures	82
16A	AUDIT COMMITTEE FINANCIAL EXPERT	Management	70
16B	CODE OF ETHICS	Code of ethics	85
16C	PRINCIPAL ACCOUNTANT FEES AND SERVICES	Principal accountant fees and services	108
16D	EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	Not applicable	—
16E	PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	Purchases of equity securities by the issuer and affiliated purchasers	63
16F	CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT	Not applicable	—
16G	CORPORATE GOVERNANCE	Corporate governance	79
16H	MINE SAFETY DISCLOSURE	Not applicable	—
17	FINANCIAL STATEMENTS	Not applicable	—
18	FINANCIAL STATEMENTS	Consolidated Financial statements	116
19	EXHIBITS	Additional Information	109

SIGNATURES

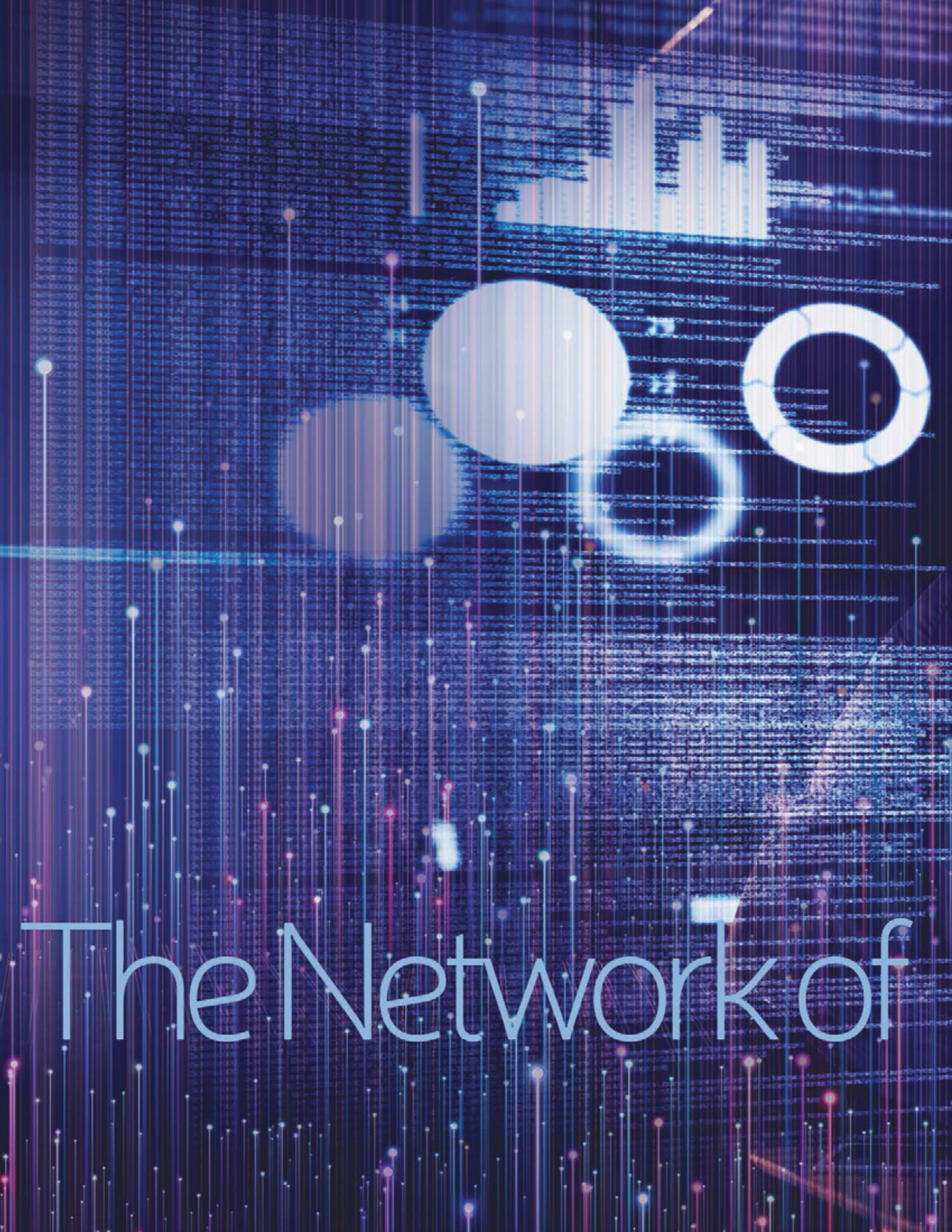
The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Dated: April 29, 2020

AMÉRICA MÓVIL, S.A.B. DE C.V.

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

By: /s/ Alejandro Cantú Jiménez
Name: Alejandro Cantú Jiménez
Title: General Counsel


The Network of



PART VIII
CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated Financial Statements

Years Ended December 31, 2017, 2018 and 2019
with Report of Independent Registered Public Accounting Firm

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

Consolidated Financial Statements

Years Ended December 31, 2017, 2018 and 2019

Contents:

Report of Independent Registered Public Accounting Firm F-2

Audited Consolidated Financial Statements:

Consolidated Statements of Financial Position F-6

Consolidated Statements of Comprehensive Income F-7

Consolidated Statements of Changes in Shareholders' Equity F-8

Consolidated Statements of Cash Flows F-9

Notes to Consolidated Financial Statements F-10

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of América Móvil, S.A.B. de C.V. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 29, 2020 expressed an unqualified opinion thereon.

Adoption of International Financial Accounting Standard (IFRS) 16

As discussed in Note 2 a), item i) to the consolidated financial statements, effective January 1, 2019, the Company changed its method of accounting for leases, as a result of the adoption of International Financial Accounting Standard 16, "Leases" (IFRS 16), applying the modified retrospective approach. As explained below, auditing the Company's adoption of IFRS 16 was a Critical Audit Matter.

Basis for Opinion

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Deferred tax assets, realizability of Net Operating Loss Carryforwards

Description of the Matter

As discussed in Note 13 to the consolidated financial statements, at December 31, 2019, the balance of deferred tax assets was $106,167,897 thousands of Mexican pesos. The Company has recognized deferred tax assets arising from net operating loss carryforwards (NOLs) of approximately $26,630,407 thousands of Mexican pesos, the majority of which arises from one of its subsidiaries.

Auditing management´s assessment of the realizability of the deferred tax assets arising from NOLs involved complex auditor judgement because management´s estimate of realizability was based on assessing the probability, timing and sufficiency of expected reversals of taxable temporary differences, future taxable profits and available tax planning opportunities. These projections are sensitive because they are affected by future operating results and future market and economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement related to the realizability of the deferred tax assets. We tested controls over management's analyses of the reversal of existing taxable temporary differences, their projections of future taxable income and related assumptions used in developing the projected financial information and their identification of available tax planning opportunities. Our audit also included the evaluation of controls that address the completeness and accuracy of the data utilized in the valuation models.

Our audit procedures to test the realizability of the deferred tax assets arising from NOLs also included, among others, the review of management´s estimates of future taxable income, the methodology used, the significant assumptions and the underlying data used by the Company in developing the projected financial information, such as the weighted average cost of capital, customer attrition rates, growth rates, and other key assumptions by comparing them with historical, economic and industry trends and evaluating whether changes to the Company´s business model and other factors would significantly affect the projected financial information. We also involved specialists to evaluate the methodologies and assumptions used, and to test the calculations used by the Company.

In addition, with the assistance of our tax professionals, we assessed the application of relevant tax law, including assessing the Company's future tax planning opportunities and scheduling of the timing and amounts of expected reversals of taxable temporary differences.

Impairment of goodwill

Description of the Matter

As discussed in Notes 2 item i) and 11 to the consolidated financial statements, at December 31, 2019, the Company's goodwill balance was $152,899,801 thousands of Mexican pesos, the Company tests goodwill at least annually at the Cash Generating Unit (CGU) level. Impairment exists when the carrying value of a CGU exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value-in-use.

Auditing management´s assessment of impairment of goodwill involved complex auditor judgement because the estimations required to determine the fair value and value-in-use of the CGUs, including revenue growth rates, operating margins and weighted average cost of capital, are sensitive to, and affected by, economic factors, technological changes and market conditions, among other factors.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement related to the determination of the impairment of goodwill, including controls over management's review of the significant assumptions described above, projected financial information and the valuation model used to develop such estimates.

Our audit procedures to test the impairment of goodwill also included, among others, evaluating the methodology used, testing the significant assumptions mentioned above and the underlying data used by the Company. We assessed the historical accuracy of management's estimates and projections by comparing them to actual results and obtaining appropriate explanations for the variances; examined management's support for the current estimates and projections, by comparing them to industry and economic trends, including market participant data; evaluated management's methodology for determining that the weighted average cost of capital that reflects the economic conditions impacting CGUs; and also tested the completeness and accuracy of the underlying data, and evaluated other factors that would significantly affect the projected financial information and thus the fair value and value-in-use of the CGUs.

We also involved our valuation specialist to evaluate the methodologies and assumptions used, and to test the calculations used by the Company.

Valuation of Employee Benefit Obligations

Description of the Matter

As discussed in Note 2, item q) to the consolidated financial statements, at December 31, 2019, the defined benefit pension obligation balance was $152,507,058 thousands of Mexican pesos. The Company assessed and updated its estimates and assumptions used to actuarially measure and value the defined benefit pension obligation as of December 31, 2019, using the assistance of independent actuarial specialists.

Auditing the defined benefit pension obligation involved complex auditor judgement and required the involvement of actuarial specialists because of the highly judgmental nature of the actuarial assumptions, such as discount rates, inflation rates, future compensation levels, mortality rates and longevity, among others. These assumptions have significant effects on the amount of the projected benefit obligation.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the measurement and valuation of the defined benefit pension obligation. We tested controls over management's review of the defined benefit pension obligation calculations, the significant actuarial assumptions used and the data inputs provided to the independent actuary. We also evaluated the objectivity and competence of the specialists used by management.

Our audit procedures to test the measurement and valuation of the defined benefit pension obligation included, among others, evaluating the methodology used, assessing the significant actuarial assumptions noted above and testing the underlying data used by the Company. We compared the actuarial assumptions used by management to historical trends and evaluated the change in the defined benefit pension obligation from prior year due to changes in service cost, interest cost, actuarial gains and losses, benefit payments, contributions and other activities; we involved our specialists to assist in the assessment of the actuarial model and the evaluation of the Company´s key assumptions by comparing them with publicly available market data and historical experience; in addition, our specialists evaluated management's methodology for determining discount rates which reflect the maturity and duration of the benefit payments.

To evaluate the future compensation levels, the mortality rate and the longevity, we assessed whether the information is consistent with publicly available information, and whether any market data adjusted for entity-specific adjustments were applied. We also tested the completeness and accuracy of the underlying data, including the market participant data provided by management to its actuarial specialists.

Adoption of IFRS 16—"Leases"

Description of the Matter

As discussed in Note 2 a), item i) to the consolidated financial statements, the Company adopted the IFRS 16 effective January 1, 2019, which included recognizing a right-of-use asset and corresponding lease liability. Upon adoption, the Company recorded $119,387,660 thousands of Mexican pesos of right-of-use assets and lease liabilities using the modified retrospective method with no material impact on equity.

Auditing the adoption of IFRS 16 involved complex auditor judgement and required the involvement of specialists because of the highly judgmental nature of the methodology, assumptions and other factors, such as the estimation of the incremental borrowing rate, lease terms and the large volume of contracts which vary per business units and locations. These assumptions and factors have a significant effect on the lease liability and right-of-use asset values.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the measurement, valuation and completeness of the implementation of the standard. We tested controls over the Company's process for evaluating the completeness of their lease population, assessed the terms of lease agreements and assumptions used to determine the incremental borrowing rate.

Our audit procedures to test the implementation of IFRS 16 included, among others, evaluating the methodology used, the significant assumptions noted above and the underlying data used by the Company. To test the completeness and accuracy of the underlying data used to calculate the right of use asset and lease liability, we selected a sample of contracts with recurring payments and assessing their inclusion in the Company's analysis and evaluating the Company's conclusions on whether such arrangements were leases, in addition, we corroborated lease terms of leases to determine whether these attributes were considered and computed in the calculation; we involved our valuation specialists to assist in evaluating significant assumptions and management´s methodology for determining the incremental borrowing rate. We tested the Company's calculations to determine the right-of-use asset and lease liability as of adoption.

/s/ Mancera, S.C.

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

Mexico City, Mexico
April 29, 2020

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

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	Note	At December 31, 2018	At December 31, 2019	2019 Millions of U.S. dollars
Assets				
Current assets:				
Cash and cash equivalents	3	Ps. 21,659,962	**Ps. 19,745,656**	**US$ 1,048**
Equity investments at fair value through other comprehensive income (OCI) and other short-term investments	4	49,015,934	**47,718,025**	**2,532**
Accounts receivable:				
Subscribers, distributors, recoverable taxes, contract assets and other, net	5	216,226,920	**204,706,296**	**10,863**
Related parties	6	1,263,605	**1,273,140**	**68**
Derivative financial instruments	7	5,287,548	**6,825,760**	**362**
Inventories, net	8	40,305,362	**41,102,012**	**2,181**
Other current assets, net	9	15,296,193	**9,473,434**	**503**
Total current assets		Ps. 349,055,524	**Ps. 330,844,323**	**US$ 17,557**
Non-current assets:				
Property, plant and equipment, net	10	Ps. 640,000,720	**Ps. 639,343,370**	**US$ 33,926**
Intangibles, net	11	122,137,703	**125,169,389**	**6,642**
Goodwill	11	145,566,497	**152,899,801**	**8,113**
Investments in associated companies		3,132,707	**2,474,193**	**131**
Deferred income taxes	13	111,186,768	**106,167,897**	**5,634**
Accounts receivable, subscriber, distributors and contract assets, net	5	15,681,872	**15,139,442**	**803**
Other assets, net	9	42,461,601	**41,892,019**	**2,223**
Right-of-use assets	15	—	**118,003,223**	**6,262**
Total assets		Ps. 1,429,223,392	**Ps. 1,531,933,657**	**US$ 81,291**
Liabilities and equity				
Current liabilities:				
Short-term debt and current portion of long-term debt	14	Ps. 96,230,634	**Ps. 129,172,033**	**US$ 6,854**
Short-term liability related to right-of-use of assets	15	—	**25,894,711**	**1,374**
Accounts payable	16a	221,957,267	**216,112,824**	**11,468**
Accrued liabilities	16b	56,433,691	**52,371,252**	**2,779**
Income tax	13	19,232,191	**33,026,606**	**1,752**
Other taxes payable		23,979,334	**24,373,400**	**1,293**
Derivative financial instruments	7	13,539,716	**9,596,751**	**509**
Related parties	6	2,974,213	**3,460,419**	**184**
Deferred revenues		32,743,843	**31,391,749**	**1,666**
Total current liabilities		Ps. 467,090,889	**Ps. 525,399,745**	**US$ 27,879**
Non-current-liabilities:				
Long-term debt	14	Ps. 542,691,819	**Ps. 495,082,444**	**US$ 26,271**
Long-term liability related to right-of-use of assets	15	—	**94,702,022**	**5,025**
Deferred income taxes	13	24,573,441	**18,093,041**	**960**
Income tax	13	7,891,042	**—**	**—**
Deferred revenues		3,239,301	**3,425,738**	**182**
Derivative financial instruments	7	3,567,863	**—**	**—**
Asset retirement obligations	16c	15,971,601	**15,816,744**	**839**
Employee benefits	18	118,325,014	**152,507,058**	**8,093**
Total non-current liabilities		Ps. 716,260,081	**Ps. 779,627,047**	**US$ 41,370**
Total liabilities		Ps. 1,183,350,970	**Ps. 1,305,026,792**	**US$ 69,249**
Equity:				
Capital stock	20	Ps. 96,338,378	**Ps. 96,338,262**	**US$ 5,112**
Retained earnings:				
Prior years		184,689,288	**213,719,236**	**11,341**
Profit for the year		52,566,197	**67,730,891**	**3,594**
Total retained earnings		237,255,485	**281,450,127**	**14,935**
Other comprehensive loss items		(137,598,218)	**(199,878,430)**	**(10,605)**
Equity attributable to equity holders of the parent		195,995,645	**177,909,959**	**9,442**
Non-controlling interests		49,876,777	**48,996,906**	**2,600**
Total equity		245,872,422	**226,906,865**	**12,042**
Total liabilities and equity		Ps. 1,429,223,392	**Ps. 1,531,933,657**	**US$ 81,291**

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

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

Consolidated Statements of Comprehensive Income

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

		For the years ended December 31			
	Note	2017	2018	2019	2019 Millions of U.S. dollars, except for earnings per share
Operating revenues:					
Service revenues		Ps. 878,411,323	Ps. 863,647,642	**Ps. 834,365,232**	**US$ 44,275**
Sales of equipment		143,222,212	174,560,039	**172,982,637**	**9,179**
		Ps. 1,021,633,535	Ps. 1,038,207,681	**Ps. 1,007,347,869**	**US$ 53,454**
Operating costs and expenses:					
Cost of sales and services		496,335,746	508,822,430	**471,736,157**	**25,032**
Commercial, administrative and general expenses		240,634,431	227,192,478	**215,993,865**	**11,461**
Other expenses		24,345,113	6,923,022	**5,862,102**	**311**
Depreciation and amortization	9,10,11 and 15	160,174,942	155,712,580	**158,915,210**	**8,433**
		Ps. 921,490,232	Ps. 898,650,510	**Ps. 852,507,334**	**US$ 45,237**
Operating income		Ps. 100,143,303	Ps. 139,557,171	**Ps. 154,840,535**	**US$ 8,217**
Interest income		2,925,648	10,646,169	**6,284,672**	**333**
Interest expense		(30,300,781)	(31,771,433)	**(37,911,339)**	**(2,012)**
Foreign currency exchange (loss) gain, net		(13,818,951)	(7,261,956)	**5,226,071**	**277**
Valuation of derivatives, interest cost from labor obligations and other financial items, net	22	(1,943,760)	(10,176,316)	**(7,075,342)**	**(375)**
Equity interest in net result of associated companies		91,385	267	**(17,609)**	**(1)**
Profit before income tax		57,096,844	100,993,902	**121,346,988**	**6,439**
Income tax	13	24,941,511	46,477,079	**51,033,533**	**2,708**
Net profit for the year		Ps. 32,155,333	Ps. 54,516,823	**Ps. 70,313,455**	**US$ 3,731**
Net profit for the year attributable to:					
Equity holders of the parent		Ps. 29,325,921	Ps. 52,566,197	**Ps. 67,730,891**	**US$ 3,594**
Non-controlling interests		2,829,412	1,950,626	**2,582,564**	**137**
		Ps. 32,155,333	Ps. 54,516,823	**Ps. 70,313,455**	**US$ 3,731**
Basic and diluted earnings per share attributable to equity holders of the parent		Ps. 0.44	Ps. 0.79	**Ps. 1.03**	**US$ 0.05**
Other comprehensive income (loss) items:					
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent years:					
Effect of translation of foreign entities		Ps. (18,309,877)	Ps. (64,314,032)	**Ps. (35,536,252)**	**US$ (1,886)**
Effect of fair value of derivatives, net of deferred taxes		12,292	—	**—**	**—**
Items that will not be reclassified to (loss) or profit in subsequent years:					
Re-measurement of defined benefit plan, net of deferred taxes		(7,046,089)	757,278	**(29,535,672)**	**(1,567)**
Unrealized gain (loss) on equity investments at fair value, net of deferred taxes		622,424	(3,765,688)	**883,408**	**47**
Total other comprehensive loss items for the year, net of deferred taxes	21	(24,721,250)	(67,322,442)	**(64,188,516)**	**(3,406)**
Total comprehensive income (loss) for the year		Ps. 7,434,083	Ps. (12,805,619)	**Ps. 6,124,939**	**US$ 325**
Comprehensive income (loss) for the year attributable to:					
Equity holders of the parent		Ps. 1,201,698	Ps. (11,770,227)	**Ps. 5,450,679**	**US$ 289**
Non-controlling interests		6,232,385	(1,035,392)	**674,260**	**36**
		Ps. 7,434,083	Ps. (12,805,619)	**Ps. 6,124,939**	**US$ 325**

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

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

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2017, 2018 and 2019

(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Unrealized gain (loss) on equity investment at fair value	Re-measurement of defined benefit plans	Cumulative translation adjustment	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2017	Ps. 96,337,514	Ps. 358,440	Ps. 157,356,860	Ps. (12,292)	Ps. (6,669,720)	Ps. (68,005,050)	Ps. 29,549,491	Ps. 208,915,243	Ps. 62,108,524	Ps. 271,023,767
Net profit for the year	—	—	29,325,921	—	—	—	—	29,325,921	2,829,412	32,155,333
Effect of fair value of derivatives, net of deferred taxes	—	—	—	12,292	—	—	—	12,292	—	12,292
Unrealized gain on equity investments at fair value, net of deferred taxes	—	—	—	—	622,424	—	—	622,424	—	622,424
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	—	(7,075,606)	—	(7,075,606)	29,517	(7,046,089)
Effect of translation of foreign entities	—	—	—	—	—	—	(21,683,333)	(21,683,333)	3,373,456	(18,309,877)
Comprehensive income (loss) for the year	—	—	29,325,921	12,292	622,424	(7,075,606)	(21,683,333)	1,201,698	6,232,385	7,434,083
Dividends declared	—	—	(19,815,470)	—	—	—	—	(19,815,470)	(1,848,108)	(21,663,578)
Stock dividend	1,264	—	4,902,818	—	—	—	—	4,904,082	—	4,904,082
Repurchase of shares	(270)	—	(1,040,686)	—	—	—	—	(1,040,956)	—	(1,040,956)
Other acquisitions of non-controlling interests	—	—	(285)	—	—	—	—	(285)	(23,596)	(23,881)
As of January 1, 2018	96,338,508	358,440	170,729,158	—	(6,047,296)	(75,080,656)	7,866,158	194,164,312	66,469,205	260,633,517
Effect of adoption of new accounting standards	—	—	19,598,349	—	—	—	—	19,598,349	518,440	20,116,789
As of January 1, 2018 (restated)	96,338,508	358,440	190,327,507	—	(6,047,296)	(75,080,656)	7,866,158	213,762,661	66,987,645	280,750,306
Net profit for the year	—	—	52,566,197	—	—	—	—	52,566,197	1,950,626	54,516,823
Unrealized loss on equity investments at fair value, net of deferred taxes	—	—	—	—	(3,765,688)	—	—	(3,765,688)	—	(3,765,688)
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	—	652,722	—	652,722	104,556	757,278
Effect of translation of foreign entities	—	—	—	—	—	—	(61,223,458)	(61,223,458)	(3,090,574)	(64,314,032)
Comprehensive income (loss) for the year	—	—	52,566,197		(3,765,688)	652,722	(61,223,458)	(11,770,227)	(1,035,392)	(12,805,619)
Dividends declared	—	—	(21,134,520)	—	—	—	—	(21,134,520)	(1,850,462)	(22,984,982)
Hyperinflation adjustment	—	—	15,826,934	—	—	—	—	15,826,934	—	15,826,934
Repurchase of shares	(130)	—	(518,633)	—	—	—	—	(518,763)	—	(518,763)
Redemption of hybrid bond	—	—	—	—	—	—	—	—	(13,440,120)	(13,440,120)
Other acquisitions of non-controlling interests	—	—	(170,440)	—	—	—	—	(170,440)	(784,894)	(955,334)
Balance at December 31, 2018	Ps. 96,338,378	Ps. 358,440	Ps. 236,897,045	Ps. —	Ps. (9,812,984)	Ps. (74,427,934)	Ps. (53,357,300)	Ps. 195,995,645	Ps. 49,876,777	Ps. 245,872,422
Net profit for the year	—	—	67,730,891	—	—	—	—	67,730,891	2,582,564	70,313,455
Unrealized gain on equity investments at fair value, net of deferred taxes	—	—	—	—	883,408	—	—	883,408	—	883,408
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	—	(29,153,554)	—	(29,153,554)	(382,118)	(29,535,672)
Effect of translation of foreign entities	—	—	—	—	—	—	(34,010,066)	(34,010,066)	(1,526,186)	(35,536,252)
Comprehensive income (loss) for the year	—	—	67,730,891		883,408	(29,153,554)	(34,010,066)	5,450,679	674,260	6,124,939
Dividends declared	—	—	(23,106,823)	—	—	—	—	(23,106,823)	(1,473,290)	(24,580,113)
Repurchase of shares	(116)	—	(427,212)	—	—	—	—	(427,328)	—	(427,328)
Other acquisitions of non-controlling interests	—	—	(2,214)	—	—	—	—	(2,214)	(80,841)	(83,055)
Balance at December 31, 2019	**Ps. 96,338,262**	**Ps. 358,440**	**Ps. 281,091,687**	**Ps. —**	**Ps. (8,929,576)**	**Ps. (103,581,488)**	**Ps. (87,367,366)**	**Ps. 177,909,959**	**Ps. 48,996,906**	**Ps. 226,906,865**

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

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

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

	Note	For the years ended December 31			
		2017	2018	**2019**	**2019 Millions of U.S. dollars**
Operating activities					
Profit before income tax		Ps. 57,096,844	Ps. 100,993,902	**Ps. 121,346,988**	**US$ 6,439**
Items not requiring the use of cash:					
Depreciation property, plant and equipment and right-of-use assets	10 and 15	135,206,080	129,115,727	**138,386,952**	**7,344**
Amortization of intangible and other assets	9 and 11	24,968,862	26,596,853	**20,528,258**	**1,089**
Equity interest in net income of associated companies		(91,385)	(267)	**17,609**	**1**
Loss on sale of property, plant and equipment		145,225	664,777	**119,272**	**6**
Net period cost of labor obligations	18	13,636,182	13,989,100	**16,609,565**	**881**
Foreign currency exchange loss, net		11,699,985	6,148,612	**(7,250,635)**	**(387)**
Interest income		(2,925,648)	(10,646,169)	**(6,284,672)**	**(333)**
Interest expense		30,300,781	31,771,433	**37,911,339**	**2,012**
Employee profit sharing		1,751,312	1,500,342	**1,618,695**	**86**
Loss in valuation of derivative financial instruments, capitalized interest expense and other, net		(19,010,851)	(7,518,445)	**(9,202,167)**	**(488)**
Gain on net monetary positions	22	—	(4,429,145)	**(4,267,194)**	**(226)**
Working capital changes:					
Subscribers, distributors, recoverable taxes, contract assets and other, net		1,799,095	(15,420,291)	**6,800,942**	**361**
Prepaid expenses		4,588,584	3,264,685	**9,079,931**	**482**
Related parties		(558,651)	38,426	**476,671**	**25**
Inventories		(2,991,009)	(3,232,136)	**(2,095,622)**	**(111)**
Other assets		(4,763,394)	(6,081,740)	**(6,597,262)**	**(350)**
Employee benefits		(14,692,218)	(14,235,549)	**(20,224,276)**	**(1,073)**
Accounts payable and accrued liabilities		5,190,137	23,997,632	**(16,811,135)**	**(892)**
Employee profit sharing paid		(1,471,946)	(1,013,799)	**(2,187,316)**	**(116)**
Financial instruments and other		1,515,668	5,286,290	**(1,774,932)**	**(94)**
Deferred revenues		(452,913)	38,243	**(636,221)**	**(34)**
Interest received		819,940	1,215,800	**1,008,076**	**53**
Income taxes paid		(23,988,305)	(33,713,753)	**(42,294,398)**	**(2,244)**
Net cash flows provided by operating activities		Ps. 217,772,375	Ps. 248,330,528	**Ps. 234,278,468**	**US$ 12,431**
Investing activities					
Purchase of property, plant and equipment		(119,185,137)	(143,888,033)	**(132,884,335)**	**(7,051)**
Acquisition of intangibles		(17,538,541)	(7,933,647)	**(18,962,856)**	**(1,006)**
Dividends received	22	2,385,559	2,622,237	**1,773,336**	**94**
Proceeds from sale of plant, property and equipment		133,349	178,532	**344,924**	**18**
Acquisition of businesses, net of cash acquired	12	(6,878,793)	(310,604)	**(13,330,651)**	**(707)**
Partial sale of shares of associated company		340,040	548,484	**36,478**	**2**
Investments in associate companies		—	—	**(56,985)**	**(3)**
Net cash flows used in investing activities		Ps. (140,743,523)	Ps. (148,783,031)	**Ps. (163,080,089)**	**US$ (8,653)**
Financing activities					
Loans obtained		143,607,726	155,263,221	**118,082,256**	**6,266**
Repayment of loans		(171,041,215)	(189,314,144)	**(109,808,816)**	**(5,827)**
Payment of liability related to right-of-use of assets	15	—	—	**(26,765,075)**	**(1,420)**
Interest paid		(31,196,441)	(30,869,017)	**(28,046,695)**	**(1,488)**
Repurchase of shares		(1,233,371)	(511,421)	**(435,713)**	**(23)**
Dividends paid		(16,091,390)	(22,369,793)	**(24,248,145)**	**(1,287)**
Derivative financial instruments		(71,474)	—	**—**	**—**
Redemption of hybrid bond		—	(13,440,120)	**—**	**—**
Acquisition of non-controlling interests		(11,930)	(115,821)	**(83,055)**	**(4)**
Net cash flows used in financing activities		Ps. (76,038,095)	Ps. (101,357,095)	**Ps. (71,305,243)**	**US$ (3,783)**
Net increase (decrease) in cash and cash equivalents		Ps. 990,757	Ps. (1,809,598)	**Ps. (106,864)**	**US$ (5)**
Adjustment to cash flows due to exchange rate fluctuations, net		61,333	(800,913)	**(1,807,442)**	**(96)**
Cash and cash equivalents at beginning of the year		23,218,383	24,270,473	**21,659,962**	**1,149**
Cash and cash equivalents at end of the year		Ps. 24,270,473	Ps. 21,659,962	**Ps. 19,745,656**	**US$ 1,048**
Non-cash transactions related to:					
Acquisitions of property, plant and equipment in accounts payable at end year		Ps. 18,869,210	Ps. 19,099,066	**Ps. 19,673,706**	**US$ 1,044**
Redemption of exchangeable bond		—	16,446,262	**—**	**—**
Non-cash transactions		Ps. 18,869,210	Ps. 35,545,328	**Ps. 19,673,706**	**US$ 1,044**

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

1. Description of the Business and Relevant Events

I. Corporate Information

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

- Voice services provided by the Company, both wireless and fixed, mainly include the following: airtime, local, domestic and international long-distance services, and network interconnection services.
- Data services include value added, corporate networks, data and Internet services.
- Pay TV represents basic services, as well as pay per view and additional programming and advertising services.
- AMX provides other related services to advertising in telephone directories, publishing and call center services.
- The Company also provides video, audio and other media content that is delivered through the internet directly from the content provider to the end user.

In order to provide these services, América Móvil has licenses, permits and concessions (collectively referred to herein as "licenses") to build, install, operate and exploit public and/or private telecommunications networks and provide miscellaneous telecommunications services (mostly mobile and fixed voice and data services) and to operate frequency bands in the radio-electric spectrum for point-to-point and point-to-multipoint microwave links. The Company holds licenses in the 24 countries where it has networks, and such licenses have different dates of expiration through 2056.

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

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

The accompanying consolidated financial statements were approved for their issuance by the Company's Chief Financial Officer on April 24, 2020, and subsequent events have been considered through that date.

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

a) Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis, except for the derivative financial instruments, the trust assets of post-employment and other employee benefit plans and the investments in equity at fair value through other comprehensive income (OCI), which are presented at their market value.

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

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

The Mexican peso is the functional currency of the Company's Mexican operations and the consolidated reporting currency of the Company.

i) Changes in Accounting Policies and Disclosures in 2019

a) IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases- Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted the IFRS 16 using the modified retrospective method with the date of initial application on January 1, 2019. Under this method, the Company recognizes the cumulative effect of initially adoption at the date of adoption, that is, the value of the asset by right-of-use is the same to the liability for leases. The Company applied the new requirements regarding IFRS 16 to all contracts identified as leases under the previous accounting standard and reassessed all services, in order to identify lease components or an implicit accounting lease within these contracts. Additionally, the Company chose to use the exemptions applicable to the standard on lease contracts for which the leases terms ends within 12 months as of the date of the initial application, and the lease contracts for which the underlying asset is of low value.

As of the date of the initial adoption of IFRS 16, the Company recognized an increase in the right-of-use assets and lease liabilities in the amount of Ps. 119,387,660, with no material impact on equity.

The Company identified a significant number of lease assets such as towers, physical facilities (office buildings, stores and sites, mainly), circuits, among others. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee), at the inception date as either a finance lease or an operating lease.

Leases previously classified as finance leases.

The Company did not change the initial carrying amounts of the recognized assets and liabilities at the date of the initial application for leases previously classified as finance leases (ie, the right- of- use assets and lease liabilities equal the lease assets and lease liabilities recognized under IAS 17). The requirements of IFRS 16 were applied to these leases from January 1, 2019.

Leases previously accounted for as operating leases

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The rights-of-use assets were recognized based on the amount equivalent to the lease liabilities, adjusted for any prepayment related to the previously recognized contract. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Common discount rates were used for groups of contracts with reasonably similar characteristics related to the term, type of asset, currency and economic environment.
- Short-term lease exemptions were applied to leases with a term that ends within 12 months after the date of initial application.
- The non-lease components were not separated and the associated non-lease components were accounted for as if they were a single lease component.
- Retrospective reasoning was used to determine the term of the lease, if the contract contains options to extend or terminate the lease.

The lease liabilities as of January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018, as follows:

Operating lease commitments as of December 31, 2018	Ps. 137,949,821
Lease commitments not in scope of IFRS 16	(29,624,063)
Lease payments not included in the operating lease commitments as at 31 December 2018, resulting from differences between IAS 17 and IFRS 16 at implementation date	60,064,406
Short-term leases and leases of low-value assets	(5,498,423)
Effect of discounting	(43,504,081)
Lease liabilities as of January 1, 2019	**Ps. 119,387,660**

The weighted average rate applied to lease liabilities recognized in the statement of financial position at the date of initial application was 7.29 %.

b) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

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

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances
- How an entity determines the amount of tax expenses to be recognized within the financial statements based in the better predict the resolution of the uncertainty (the most likely amount or the expected value).

In Note 17b) to the consolidated financial statements Company is including disclosures related to uncertain tax treatments. Uncertainty in a tax treatment may arise as tax laws are subject to interpretation. Changes in circumstances, such as changes in tax laws and communications with taxing authorities may affect the amount of uncertain tax treatments; however, none of these circumstances have occurred in 2019 and for this reason the recognition and disclosure are consistent with the analysis and disclosure under IAS 37 in the previous years.

The Company determined, based on its tax compliance is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Company.

ii) Basis of consolidation

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

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

On March 6, 2020, in accordance with a resolution of the Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones or IFT), the subsidiaries Teléfonos de México, S.A.B. de C.V. and Teléfonos del Noroeste, S.A. de C.V. created separate companies related to the wholesale services named Red Nacional Última Milla S.A.P.I. de C.V., Servicios de Telecomunicaciones Ultima Milla, S.A. de C.V. and Red Última Milla del Noroeste S.A.P.I. de C.V.

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

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

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

Non-controlling interests represent the portion of profits or losses and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statements of comprehensive income and in equity in the consolidated statements of financial position separately from Company's own equity.

Associates:

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

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

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

The results of operations of the subsidiaries and associates are included in the Company's consolidated financial statements beginning as of the month following their acquisition and its share of other comprehensive income after acquisition is recognized directly in other comprehensive income.

The Company assesses at each reporting date whether there is objective evidence that investment in associates is impaired. If so, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

The equity interest in the most significant subsidiaries at December 31, 2018 and 2019 is as follows:

		Equity interest at December 31	
Company name	**Country**	**2018**	**2019**
Subsidiaries:			
América Móvil B.V. [a)]	Netherlands	100.0%	**100.0%**
Compañía Dominicana de Teléfonos, S.A. ("Codetel") [b)]	Dominican Republic	100.0%	**100.0%**
Sercotel, S.A. de C.V. [a)]	Mexico	100.0%	**100.0%**
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries ("Telcel") [b)]	Mexico	100.0%	**100.0%**
Puerto Rico Telephone Company, Inc. [b)]	Puerto Rico	100.0%	**100.0%**
Servicios de Comunicaciones de Honduras, S.A. de C.V. ("Sercom Honduras") [b)]	Honduras	100.0%	**100.0%**
TracFone Wireless, Inc. ("TracFone") [b)]	USA	100.0%	**100.0%**
Claro S.A. (Claro Brasil) [b)]	Brazil	98.2%	**98.2%**
NII Brazil Holding S.A.R.L [a)]	Luxembourg	—	**100.0%**
Nextel Telecomunicações Ltda [b)]	Brazil	—	**100.0%**
Telecomunicaciones de Guatemala, S.A. ("Telgua") [b)]	Guatemala	99.3%	**99.3%**
Claro Guatemala, S.A. [b)]	Guatemala	—	**100%**
Empresa Nicaragüense de Telecomunicaciones, S.A. ("Enitel") [b)]	Nicaragua	99.6%	**99.6%**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. ("CTE") [b)]	El Salvador	95.8%	**95.8%**
Comunicación Celular, S.A. ("Comcel") [b)]	Colombia	99.4%	**99.4%**
Telmex Colombia, S.A.	Colombia	99.3%	**—**
Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel") [b)]	Ecuador	100.0%	**100.0%**
AMX Argentina, S.A. [b)]	Argentina	100.0%	**100.0%**
AMX Paraguay, S.A. [b)]	Paraguay	100.0%	**100.0%**
AM Wireless Uruguay, S.A. [b)]	Uruguay	100.0%	**100.0%**
Claro Chile, S.A. [b)]	Chile	100.0%	**100.0%**
América Móvil Perú, S.A.C [b)]	Peru	100.0%	**100.0%**
Claro Panamá, S.A. [b)]	Panamá	100.0%	**100.0%**
Teléfonos de México, S.A.B. de C.V. [b)]	Mexico	98.8%	**98.8%**
Telekom Austria AG [b)]	Austria	51.0%	**51.0%**

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

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

The operating revenues of foreign subsidiaries jointly represent approximately 74%, 73% and 71% of consolidated operating revenues for the years ended December 31, 2017, 2018 and 2019, respectively, and their total assets jointly represent approximately 80% and 73% of consolidated total assets at December 31, 2018 and 2019, respectively.

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

- all monetary assets and liabilities were translated at the closing exchange rate of the period;
- all non-monetary assets and liabilities at the closing exchange rate of the period;
- equity accounts are translated at the exchange rate at the time the capital contributions were made and the profits were generated;
- revenues, costs and expenses are translated at the average exchange rate of the period, except for the operations of the subsidiaries in Argentina, whose economy is considered hyperinflationary since 2018;
- the consolidated statements of cash flows presented using the indirect method were translated using the weighted-average exchange rate for the applicable period (except for Argentina), and the resulting difference is shown in the consolidated statements of cash flows under the heading "Adjustment to cash flows due to exchange rate fluctuations, net".

The basis of translation for the operations of the subsidiaries in Argentina are described:

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

In order to restate for hyperinflation its financial statements, the subsidiary used the series of indices defined by resolution JG No. 539/18 issued by the "Federación Argentina de Consejos Profesionales de Ciencias Económicas" (FACPCE), based on the National Consumer Price Index (IPC) published by the Instituto Nacional de Estadística y Censos (INDEC) of the Argentine Republic and the Wholesale Internal Price Index (IPIM) published by FACPCE. The cumulative index at December 31, 2019 is 283.444, while on an annual inflation for 2019 is 53.83%.

The main implications are as follows:

- Adjustment of the historical cost of non-monetary assets and liabilities and equity items from their date of acquisition, or the date of inclusion in the consolidated statements of financial position, to the end of the year, in order to reflect changes in the currency's purchasing power caused by inflation.
- The gain on the net monetary position caused by the impact of inflation in the year is included in the consolidated statements of comprehensive income as part of the caption "*Valuation of derivatives, interest cost from labor obligations and other financial items, net"*. Items in the statement of comprehensive income and in the statements of cash flows are adjusted by the inflation index since their origination, with a balancing entry, and a reconciling item in the statements of cash flows, respectively.

- All items in the financial statements of the Argentine company are translated at the closing exchange rate, which at December 31, 2018 and 2019 were 0.5221 and 0.3147, respectively, per argentine pesos per Mexican Peso.
- Financial information for financial years prior to 2018 are not restated.

The difference resulting from the translation process is recognized in equity in the caption "Effect of translation of foreign entities". At December 31, 2018 and 2019, the cumulative translation adjustment was Ps. (53,357,300) and Ps. (87,367,366), respectively.

b) Revenue recognition

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

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

The Company with respect to the provided services, it has market observable information, to determine the standalone selling price of the services. On the other hand, in the case of the sale of bundled mobile phones sold (including service and handset) by the Company, the allocation of the sales is done based on their relative standalone selling price of each individual component related to the total bundled price. The result is that more equipment revenue is recognized at the moment of a sale and, therefore, less service revenue from the monthly fee are being recognized under IFRS 15.

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

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

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

The commissions are considered incremental contract acquisition costs that are capitalized and are amortized over the expected period of benefit, during the average duration of customer contracts.

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

c) Cost of sales

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

d) Cost of services

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

e) Commissions to distributors

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

f) Cash and cash equivalents

Cash and cash equivalents represent bank deposits and liquid investments with maturities of less than three months. These amounts are stated at cost plus accrued interest, which is similar to their market value.

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

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

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

h) Inventories

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

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

i) Business combinations and goodwill

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

(i) Identify the acquirer

(ii) Determine the acquisition date

(iii) Value the acquired identifiable assets and assumed liabilities

(iv) Recognize the goodwill or a bargain purchase gain

For acquired subsidiaries, goodwill represents the difference between the purchase price and the fair value of the net assets acquired at the acquisition date. The investment in acquired associates includes goodwill identified on acquisition, net of any impairment loss.

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

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

For the years ended December 31, 2017, 2018 and 2019, no impairment losses were recognized for goodwill.

j) Property, plant and equipment

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

Borrowing costs that are incurred for general financing for construction in progress for periods exceeding six months are capitalized as part of the cost of the asset. During the years ended December 31, 2017, 2018 and 2019, borrowing costs that were capitalized amounted to Ps. 2,875,034, Ps. 2,020,288 and Ps. 2,233,358, respectively.

In addition to the purchase price and costs directly attributable to preparing an asset in terms of its physical location and condition for operating as intended by management, when required, the cost also includes the estimated costs of dismantling and removal of the asset and for restoration of the site where it is located (See Note 16c).

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

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

For property, plant and equipment made up of several components with different useful lives, the major individual components are depreciated over their individual useful lives. Maintenance costs and repairs are expensed as incurred.

Annual depreciation rates are as follows:

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

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

During the years ended December 31, 2017, 2018 and 2019, no impairment losses were recognized.

v) Spare parts for network operation are recognized at cost.

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

k) Intangibles

i) Licenses

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

The licenses that in accordance with government requirements are categorized as automatically renewable, for a nominal cost and with substantially consistent terms, are considered by the Company as intangible assets with an indefinite useful life. Accordingly, they are not amortized. Licenses are amortized when the Company does not have a basis to conclude that they are indefinite lived. Licenses are amortized using the straight-line method over a period ranging from 3 to 30 years, which represents the usage period of the assets.

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

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

ii) Trademarks

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

iii) Irrevocable rights of use

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

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

iv) Customer relationships

The value of customer relations is determined and valued at the time that a new subsidiary is acquired, as determined by the Company with the assistance of independent appraisers and is amortized over a 5 year period.

During the years ended December 31, 2017, 2018 and 2019, no significant impairment losses were recognized for licenses, trademarks, irrevocable rights of use or customer relationships.

l) Impairment in the value of long-lived assets

The Company assesses the existence of indicators of impairment in the carrying value of long-lived assets, investments in associates, goodwill and intangible assets according to IAS 36 "*Impairment of assets*". When there are such indicators, or in the case of assets whose nature requires an annual impairment analysis (goodwill and intangible assets with indefinite useful lives), the Company estimates the recoverable amount of the asset, which is the higher of its fair value, less disposal costs, and its value in use. Value in use is determined by discounting estimated future cash flows, applying a pre-tax discount rate that reflects the time value of money and taking into consideration the specific risks associated with the asset. When the recoverable amount of an asset is below its carrying value, impairment is considered to exist. In this case, the carrying value of the asset is reduced to the asset's recoverable amount, recognizing the loss in results of operations for the respective period. Depreciation and/or amortization expense of future periods is adjusted based on the new carrying value determined for the asset over the asset's remaining useful life. Impairment is computed individually for each asset. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In the estimation of impairments, the Company uses the strategic plans established for the separate cash-generating units to which the assets are assigned. Such strategic plans generally cover a period from 3 to 5 years. For longer periods, beginning in the fifth year, projections are based on such strategic plans while applying a constant or declining expected perpetual growth rate.

Key assumptions used in value in use calculations

The forecasts are made in real terms (net of inflation) and in the functional currency of the subsidiary as of December 31, 2019. Financial forecasts, premises and assumptions are similar to what any other market participant in similar conditions would consider.

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

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

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

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

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

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

As discount rate, the Company uses the WACC which was determined for each of the cash generating units and is described in the following paragraphs.

The estimated discount rates to perform the IAS 36 "*Impairment of assets*", impairment test for each CGU consider market participants assumptions. Market participants were selected taking into consideration size, operations and characteristics of the business that were similar to those of Company.

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

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

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

The most significant forward-looking estimates used for the 2018 and 2019 impairment evaluations are shown below:

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

	Average margin on EBIDTA	Average margin on CAPEX	Average pre-tax discount rate (WACC)
2019:			
Europe (7 countries)	**29.40% - 44.50%**	**10.90% - 19.30%**	**5.77% - 14.96%**
Brazil (fixed line, wireless and TV)	**40.43%**	**23.50%**	**11.00%**
Puerto Rico	**21.94%**	**17.94%**	**4.39%**
Dominican Republic	**47.23%**	**16.17%**	**13.84%**
Mexico (fixed line and wireless)	**38.81%**	**9.84%**	**11.85%**
Ecuador	**44.98%**	**11.65%**	**19.85%**
Peru	**32.51%**	**18.51%**	**8.86%**
El Salvador	**44.04%**	**25.03%**	**16.05%**
Chile	**26.85%**	**18.00%**	**4.16%**
Colombia	**45.58%**	**19.25%**	**17.27%**
Other countries	**7.40% - 52.40%**	**0.57% - 31.0%**	**6.41% - 34.75%**

Sensitivity to changes in assumptions:

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

Margin on CAPEX- The Company performed a sensitivity analysis by increasing its CAPEX by 5% and maintaining all other assumptions the same. The sensitivity analysis would require the Company to adjust the amount of its long-lived assets in its CGUs with potential impairment of approximately Ps. 2,129,800.

WACC- Additionally, should the Company increase by 50 base points in WACC per CGU and maintain all other assumptions the same, the carrying amount of the long-lived assets, would be impaired by approximately Ps. 1,819,169.

m) Right-of-use assets

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Useful life
Towers and sites	5 to 12 years
Property	10 to 25 years
Other equipment	5 to 15 years

The right-of-use assets are also subject to impairment.

ii) Lease liabilities.

At the commencement date of the lease, the Company recognizes the lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an

index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for early termination of the lease, if the term of the lease reflects that the Company exercises the option to terminate early. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed payments or change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low value assets.

The Company applies the short-term lease recognition exemption for its leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption lease of low-value assets (that is, below US$ 5,000). Short-term lease payments and leases of low-value assets are recognized as expenses on straight-line basis over the lease term.

n) Financial assets and liabilities

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

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

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

Impairment of financial assets

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

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

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

Financial liabilities

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

o) Transactions in foreign currency

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

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

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

Country or Zone	Currency	Average exchange rate 2017	2018	2019	Closing exchange rate at December 31, 2018	2019
Argentina [1]	Argentine Peso (AR$)	1.1489	0.7311	**0.4110**	0.5221	**0.3147**
Brazil	Real (R$)	5.9346	5.2937	**4.8907**	5.0797	**4.6754**
Colombia	Colombian Peso (COP$)	0.0064	0.0065	**0.0059**	0.0061	**0.0058**
Guatemala	Quetzal	2.5755	2.5591	**2.5023**	2.5440	**2.4478**
U.S.A. [2]	US Dollar	18.9400	19.2397	**19.2641**	19.6829	**18.8452**
Uruguay	Uruguay Peso	0.6606	0.6274	**0.5479**	0.6074	**0.5051**
Nicaragua	Cordoba	0.6307	0.6097	**0.5817**	0.6088	**0.5569**
Honduras	Lempira	0.8007	0.7994	**0.7806**	0.8031	**0.7597**
Chile	Chilean Peso	0.0292	0.0300	**0.0275**	0.0283	**0.0252**
Paraguay	Guaraní	0.0034	0.0034	**0.0031**	0.0033	**0.0029**
Peru	Sol (PEN$)	5.8054	5.8517	**5.7708**	5.8406	**5.6814**
Dominican Republic	Dominican Peso	0.3983	0.3876	**0.3737**	0.3898	**0.3542**
Costa Rica	Colon	0.0331	0.0332	**0.0326**	0.0322	**0.0327**
European Union	Euro	21.3649	22.7101	**21.5642**	22.5586	**21.1311**
Bulgaria	Lev	10.9223	11.6110	**11.0257**	11.5327	**10.8076**
Belarus	New Belarusian Ruble	9.8087	9.4451	**9.2159**	9.1319	**8.9420**
Croatia	Croatian Kuna	2.8619	3.0613	**2.9069**	3.0435	**2.8406**
Macedonia	Macedonian Denar	0.3471	0.3688	**0.3504**	0.3667	**0.3431**
Serbia	Serbian Denar	0.1762	0.1920	**0.1830**	0.1907	**0.1795**

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

Financial reporting in hyperinflationary economies

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

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

As of April 24, 2020, the exchange rate between the US dollar and the Mexican Peso was $24.5883. The depreciation of the Mexican peso against the US dollar represent 30.5% with respect to the year-end value.

p) Accounts payable, accrued liabilities and provisions

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

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

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

Also, contingencies are only recognized when they will generate a loss.

q) Employee benefits

The Company has defined benefit pension plans for its subsidiaries Puerto Rico Telephone Company, Teléfonos de Mexico, Claro Brasil, and Telekom Austria. Claro Brasil also has medical plans and defined contribution plans and Telekom Austria provides retirement benefits to its employees under a defined contribution plan. The Company recognizes the costs of these plans based upon independent actuarial computations and are determined using the projected unit credit method. The latest actuarial computations were prepared as of December 31, 2019.

Mexico

Mexican subsidiaries have the obligation to pay seniority premiums to personnel based on the Mexican Federal Labor Law which also establishes the obligation to make certain payments to personnel who cease to provide services under certain circumstances. Pensions (for Telmex) and seniority premiums are determined based on the salary of employees in their final year of service, the number of years worked at and their age at the moment of retirement.

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

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

Puerto Rico

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

The pension benefit is composed of two elements:

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

(ii) The second element is a lump-sum benefit based on years of service ranging from 9 to 12 months of salary. Health care and life insurance benefits are also provided to retirees under a separate plan (post-retirement benefits).

Brazil

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

Under the defined benefit plan, the Company makes monthly contributions to the pension fund equal to 17.5% of the employee's aggregate salary. In addition, the Company contributes a percentage of the aggregate salary base for funding the post-retirement medical assistance plan for the employees who remain in the defined benefit plan. Each employee makes contributions to the pension fund based on age and salary. All newly hired employees automatically adhere to the defined contribution plan and no further admittance to the defined benefit plan is allowed. For the defined contribution plan, see Note 18.

Austria

Telekom Austria provides retirement benefits to its employees under defined contribution and defined benefit plans.

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

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

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

Other subsidiaries

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

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

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

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

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

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

Paid absences

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

r) Employee profit sharing

Employee profit sharing is paid by certain subsidiaries of the Company to its eligible employees. The Company has employee profit sharing in Mexico, Ecuador and Peru. In Mexico, employee profit sharing is computed at the rate of 10% on the individual subsidiaries taxable base adjusted for employee profit sharing purposes as provided by law.

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

s) Taxes

Income taxes

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

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

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

Deferred taxes relating to items recognized in Other Comprehensive Income are recognized together with the concept that generated such deferred taxes. Deferred taxes consequence on unremitted earnings from subsidiaries and associates are considered as temporary differences, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Taxes withheld on remitted foreign earnings are creditable against Mexican taxes, thus to the extent that a remittance is to be made, the deferred tax would be limited to the incremental difference between the Mexican tax rate and the rate of the remitting country. As of December 31, 2018 and 2019, the Company has not provided for any deferred taxes related to unremitted foreign earnings.

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

Sales tax

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authorities is included as part of the current receivables or payables in the consolidated statements of financial position unless they are due in more than a year in which case they are classified as non-current.

t) Advertising

Advertising expenses are recognized as incurred. For the years ended December 31, 2017, 2018 and 2019, advertising expenses were Ps. 28,718,563, Ps. 26,255,952 and Ps. 22,810,211 respectively, and are presented in the consolidated statements of comprehensive income in the caption "Commercial, administrative and general expenses".

u) Earnings per share

Basic and diluted earnings per share are determined by dividing net profit of the year by the weighted-average number of shares outstanding during the year. In determining the weighted average number of outstanding shares, shares repurchased by the Company have been excluded.

v) Financial risks

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

i) Liquidity risk

Liquidity risk is the risk that the Company may not meet its financial obligations associated with financial instruments when they are due. The Company's financial obligations and commitments are included in Notes 14 and 17.

ii) Market risk

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

Additionally, the Company occasionally uses interest rate swaps to adjust its exposure to the variability of the interest rates or to reduce their financing costs. The Company's practices vary from time to time depending on judgments about the level of risk, expectations of change in the movements of interest rates and the costs of using derivatives. The Company may terminate or modify a derivative financial instrument at any time. See Note 7 for disclosure of the fair value of derivatives as of December 31, 2018 and 2019.

iii) Credit risk

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

The financial instruments that potentially represent concentrations of credit risk are cash and short-term deposits, trade accounts receivable and financial instruments related to debt and derivatives. The Company's policy is designed in order to limit its exposure to any one financial institution; therefore, the Company's financial instruments are contracted with several different financial institutions located in different geographic regions.

The credit risk in accounts receivable is diversified because the Company has a broad customer base that is geographically dispersed. The Company continuously evaluates the credit conditions of its customers and generally does not require collateral to guarantee collection of its accounts receivable. The Company monitors on a monthly basis its collection cycle to avoid deterioration of its results of operations.

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

iv) Sensitivity analysis for market risks

The Company uses sensitivity analysis to measure the potential losses based on a theoretical increase of 100 basis points in interest rates and a 5% fluctuation in exchange rates:

Interest rate

In the event that the Company's agreed-upon interest rates at December 31, 2019 increase/(decrease) by 100 basis points and a 5% fluctuation in exchange rates, the net interest expense would increase/(decrease) by Ps. 3,674,609 and Ps. (11,393,767), respectively.

Exchange rate fluctuations

Should the Company's debt at December 31, 2019 of Ps. 624,254,477, suffer a 5% increase/(decrease) in exchange rates, the debt would increase/(decrease) by Ps. 31,391,368 and Ps. (31,051,093), respectively.

w) Derivative financial instruments

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

The Company is exposed to interest rate and foreign currency risks, which tries to mitigate through a controlled risk management program that includes the use of derivative financial instruments. The Company principally uses to offset the risk of exchange rate and interest rate fluctuations. Additionally, for the years ended December 31, 2017, 2018 and 2019 certain of the Company's derivative financial instruments had been designated, and had qualified, as cash flow hedges. The effective portion of gains or losses on the cash flow derivatives is recognized in equity under the heading "Effect for fair value of derivatives", and the ineffective portion is charged to results of operations of the period.

x) Current versus non-current classification

The Company presents assets and liabilities in its consolidated statements of financial position based on current/ non-current classification.

An asset is current when it is either:

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

(ii) Held primarily for the purpose of trading.

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

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

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other assets and liabilities, including deferred income tax assets and liabilities, as non-current.

y) Presentation of consolidated statements of comprehensive income

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

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

z) Operating segments

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

The management of the Company is responsible for making decisions regarding the resources to be allocated to the Company's different segments, as well as evaluating the performance of each segment. Intersegment revenues and costs, intercompany balances as well as investments in shares in consolidated entities are eliminated upon consolidation and reflected in the "eliminations" column in Note 23.

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

Aa) Convenience translation

The consolidated financial statements are stated in thousands of Mexican pesos ("Ps."); however, solely for the convenience of the readers, the consolidated statement of financial position as of December 31, 2019 and the consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2019 were converted into U.S. dollars at the exchange rate of Ps. 18.8452 per U.S. dollar, which was the exchange rate at that date. This arithmetic conversion should not be construed as representations that the amounts expressed in Mexican pesos may be converted into U.S. dollars at that or any other exchange rate.

Ab) Significant accounting judgments, estimates and assumptions

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

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

Estimated useful lives of plant, property and equipment

The Company currently depreciates most of its network infrastructure based on an estimated useful life determined upon the expected particular conditions of operation and maintenance in each of the countries in which it operates. The estimates are based on AMX's historical experience with similar assets, anticipated technological changes and other factors, taking into account the practices of other telecommunications companies. The Company reviews estimated useful lives each year to determine, for each particular class of assets, whether they should be changed. The Company may shorten/extend the estimated useful life of an asset class in response to technological changes, changes in the market or other developments. This results in increased/decreased depreciation expense (See Note 10).

Impairment of Long-Lived Assets

The Company has large amounts of long-lived assets, including property, plant and equipment, intangible assets, investments in affiliates and goodwill on its consolidated statements of financial position. The Company is required to test long-lived assets for impairment when circumstances indicate a potential impairment or, in some cases, at least on an annual basis. The impairment analysis for long-lived assets requires the Company to estimate the recoverable amount of the asset, which is the higher of its fair value (minus any disposal costs) and its value in use. To estimate the fair value of a long-lived asset, the Company typically takes into account recent market transactions or, if no such transactions can be identified, the Company uses a valuation model that requires making certain assumptions and estimates. Similarly, to estimate the value in use of long-lived assets, the Company typically makes various assumptions about the future prospects for the business to which the asset relates, considers market factors specific to that business and estimates future cash flows to be generated by that business. Based on this impairment analysis, including all assumptions and estimates related thereto, as well as guidance provided by IFRS relating to the impairment of long-lived assets different assumptions and estimates could materially impact the Company's reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in impairment charges, which would decrease net income and result in lower asset values on the consolidated statements of financial position. Conversely, less conservative assumptions could result in smaller or no impairment charges, higher net income and higher asset values. The key assumptions used to determine the recoverable amount for the Company's CGUs, are further explained in Notes 23, 10 and 11.

Deferred Income Taxes

The Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves the jurisdiction-by-jurisdiction estimation of actual current tax exposure and the assessment of temporary differences resulting from the differing treatment of certain items, such as accruals and amortization, for tax and financial reporting purposes, as well as net operating loss carry-forwards and other tax credits. These items result in deferred tax assets and liabilities as discussed in Note 2 s). The analysis is based on estimates of taxable income in the jurisdictions in which the Company operates and the period on which the deferred tax assets and liabilities will be recovered or settled. If actual results differ from these estimates, or the Company adjusts these estimates in future periods, its financial position and results of operations may be materially affected.

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

Accruals

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

If the Company is unable to reliably measure the obligation, no accrual is recorded and information is then presented in the notes to its consolidated financial statements. Because of the inherent uncertainties in these estimations, actual expenditures may be different from the originally estimated amount recognized. See Note 16.

The Company is subject to various claims and contingencies related to tax, labor and legal proceedings as described in Note 17b).

Labor Obligations

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

The Company uses estimates in four specific areas that have a significant effect on these amounts: (i) the rate of return the Company assumes its pension plans will earn on its investments, (ii) the salaries increase rate that the Company assumes it will observe in future years, (iii) the discount rates that the Company uses to calculate the present value of its future obligations and (iv) the expected inflation rate. The assumptions applied are further disclosed in Note 18. These estimates are determined based on actuarial studies performed by independent experts using the projected unit-credit method.

3. Cash and Cash Equivalents

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

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

As of December 31, 2018 and 2019, equity investments at fair value through OCI and other short-term investments includes an equity investment in KPN for Ps. 39,028,083 and Ps. 37,572,410, respectively, and other short-term investments for Ps. 9,987,851 and Ps. 10,145,615, respectively, which represents a cash deposit used to guarantee a short-term obligation for one of the Company's foreign subsidiaries and are presented at their carrying value, which approximates fair value.

The investment in KPN is carried at fair value with changes in fair value being recognized through other comprehensive (loss) gain items (equity) in the Company's consolidated statements of financial position. As of December 31, 2018 and 2019, the Company has recognized in equity changes in fair value of the investment of Ps. (3,765,688) and Ps. 883,408, respectively, net of deferred taxes, through other comprehensive (loss) gain items in equity.

During the years ended December 31, 2017, 2018 and 2019, the Company received dividends from KPN for an amount of Ps. 2,370,559, Ps. 2,605,333 and Ps. 1,742,242, respectively; which are included within "Valuation of derivatives, interest cost from labor obligations, and other financial items, net" in the consolidated statements of comprehensive income. Another short-term investment item during the years ended December 31, 2018 and 2019 of Ps. 9,987,851 and Ps. 10,145,615, respectively.

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

a) An analysis of accounts receivable by component at December 31, 2018 and 2019 is as follows:

	At December 31,	
	2018	**2019**
Subscribers and distributors	Ps.173,053,226	**Ps.184,260,099**
Telecommunications carriers for network interconnection and other services	5,543,263	**5,079,763**
Recoverable taxes	46,706,298	**23,628,728**
Sundry debtors	12,685,281	**12,084,050**
Contract assets	34,718,749	**34,274,007**
Impairment of trade receivables	(40,798,025)	**(39,480,909)**
Total net	Ps.231,908,792	**Ps.219,845,738**
Non-current subscribers, distributors and contractual assets	15,681,872	**15,139,442**
Total current subscribers, distributors and contractual assets	Ps.216,226,920	**Ps.204,706,296**

b) Changes in the impairment of trade receivables is as follows:

	For the years ended December 31,		
	2017	**2018**	**2019**
Balance at beginning of year	Ps.(37,351,677)	Ps.(39,044,925)	**Ps.(40,798,025)**
Increases recorded in expenses	(20,766,362)	(19,535,707)	**(16,346,395)**
Adjustment on initial application of IFRS 9	—	(2,400,783)	**—**
Write-offs	17,713,992	15,497,254	**17,839,957**
Business combination			**(3,265,490)**
Translation effect	1,359,122	4,686,136	**3,089,044**
Balance at end of year	Ps.(39,044,925)	Ps.(40,798,025)	**Ps.(39,480,909)**

c) The following table shows the aging of accounts receivable at December 31, 2018 and 2019, for subscribers and distributors:

			Past due			
	Total	Unbilled services provided	a-30 days	31-60 days	61-90 days	Greater than 90 days
December 31, 2018	Ps. 173,053,226	Ps. 62,623,654	Ps. 46,816,302	Ps. 6,315,277	Ps. 4,168,952	Ps. 53,129,041
December 31, 2019	**Ps. 184,260,099**	**Ps. 76,223,243**	**Ps. 46,083,644**	**Ps. 6,076,281**	**Ps. 4,121,929**	**Ps. 51,755,002**

d) The following table shows the accounts receivable from subscribers and distributors included in the impairments of trade receivables, as of December 31, 2018 and 2019:

	Total	1-90 days	Greater than 90 days
December 31, 2018	Ps. 40,798,025	Ps. 4,079,803	Ps. 36,718,222
December 31, 2019	**Ps. 39,480,909**	**Ps. 3,948,091**	**Ps. 35,532,818**

e) An analysis of contract assets and liabilities at December 31, 2018 and 2019 is as follows:

	2018	2019
Contract Assets:		
Balance at the beginning of the year	Ps. 29,640,953	**Ps. 34,718,749**
Additions	32,029,279	**34,877,851**
Disposals	(739,580)	**(2,658,641)**
Business Combination	—	**576,463**
Amortization	(24,503,907)	**(30,501,315)**
Translation effect	(1,707,996)	**(2,739,100)**
Balance at the end of the year	Ps. 34,718,749	**Ps. 34,274,007**
Non-current contract assets	Ps. 5,437,263	**Ps. 1,786,560**
Current portion contracts assets	Ps. 29,281,486	**Ps. 32,487,447**

6. Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2018 and 2019. All of the companies were considered affiliates of América Móvil since the Company's principal shareholders are either direct or indirect shareholders in the related parties.

	2018	2019
Accounts receivable:		
Sears Roebuck de México, S.A. de C.V. and Subsidiaries	Ps. 284,917	**Ps. 228,523**
Sanborns Hermanos, S.A.	336,134	**229,964**
Patrimonial Inbursa, S.A.	261,754	**386,194**
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	179,852	**41,204**
Grupo Condumex, S.A. de C.V. and Subsidiaries	35,007	**12,018**
Hiubard y Bourlon, S.A. de C.V.	5,983	**172,952**
Claroshop.com, S.A.P.I. de C.V.	29,219	**91,874**
Other	130,739	**110,411**
Total	Ps. 1,263,605	**Ps. 1,273,140**

	2018	2019
Accounts payable:		
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	Ps. 1,403,414	**Ps. 1,656,123**
Grupo Condumex, S.A. de C.V. and Subsidiaries	784,678	**905,776**
Grupo Financiero Inbursa, S.A.B. de C.V.	235,745	**246,804**
Fianzas Guardiana Inbursa, S.A. de C.V.	227,014	**241,305**
PC Industrial, S.A. de C.V. and Subsidiaries	83,502	**68,189**
Enesa, S.A. de C.V. and Subsidiaries	22,630	**25,076**
Other	217,230	**317,146**
Total	Ps. 2,974,213	**Ps. 3,460,419**

For the years ended December 31, 2017, 2018 and 2019, the Company has not recorded any impairment of receivables in connection with amounts owed by related parties.

b) For the years ended December 31, 2017, 2018 and 2019, the Company conducted the following transactions with related parties:

	2017	2018	2019
Investments and expenses:			
Construction services, purchases of materials, inventories and property, plant and equipment [i]	Ps. 11,030,944	Ps. 7,211,960	**Ps. 8,573,894**
Insurance premiums, fees paid for administrative and operating services, brokerage services and others [ii]	4,135,578	4,134,380	**4,590,620**
Rent of towers [iii]	5,326,366	6,168,592	**—**
Other services	2,802,667	1,864,017	**1,277,404**
	Ps. 23,295,555	Ps. 19,378,949	**Ps. 14,441,918**
Revenues:			
Service revenues	Ps. 416,047	Ps. 679,220	**Ps. 538,110**
Sales of equipment	2,313,840	1,296,204	**944,697**
	Ps. 2,729,887	Ps. 1,975,424	**Ps. 1,482,807**

i) In 2019, this amount includes Ps.6,809,244 (Ps. 5,622,791 in 2018 and Ps. 9,829,991 in 2017) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).

ii) In 2019, this amount includes Ps. 956,132 (Ps. 778,191 in 2018 and Ps. 789,253 in 2017) for network maintenance services performed by Grupo Carso subsidiaries; Ps. 16,161 in 2019 (Ps. 13,784 in 2018, and Ps. 15,695 in 2017) for software services provided by an associate; Ps. 2,623,795 in 2019 (Ps. 2,541,703 in 2018 and Ps. 3,330,038 in 2017) for insurance premiums with Seguros Inbursa S.A. and Fianzas Guardiana Inbursa, S.A., which, in turn, places most of such insurance with reinsurers.

iii) Due to the implementation of IFRS 16 amounts related to payments for tower leases are no longer considered rental expenses.

c) The aggregate compensation paid to the Company's, directors (including compensation paid to members of the Audit and Corporate Practices Committee), and senior management in 2019 was approximately Ps. 5,200 and Ps. 75,000, respectively. None of the Company's directors is a party to any contract with the Company or any of its subsidiaries that provides for benefits upon termination of employment. The Company does not provide pension, retirement or similar benefits to its directors in their capacity as directors. The Company's executive officers are eligible for retirement and severance benefits required by Mexican law on the same terms as all other employees.

d) Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB) is considered a related party due to it is a significant non-controlling shareholder in Telekom Austria. Through Telekom Austria, América Móvil is related to the Republic of Austria and its subsidiaries, which are mainly ÖBB Group, ASFINAG Group and Post Group as well as Rundfunk und Telekom Reguliegungs-GmbH, all of which these are related parties. In 2017, 2018 and 2019, none of the individual transactions associated with government agencies or government-owned entities of Austria were considered significant to América Móvil.

7. Derivative Financial Instruments

To mitigate the risks of future increases in interest rates and foreign exchange rates for the servicing of its debt, the Company has entered into derivative contracts in over-the-counter transactions carried out with financial institutions. In 2019 the weighted-average interest rate of the total debt including the impact of interest rate derivatives held by the Company is 3.8% (4.1% and 4.0% in 2018 and 2017, respectively).

An analysis of the derivative financial instruments contracted by the Company at December 31, 2018 and 2019 is as follows:

	At December 31,			
	2018		2019	
Instrument	Notional amount in millions	Fair Value	**Notional amount in millions**	**Fair Value**
Assets:				
Swaps US Dollar-Mexican Peso	US$ 3,490	Ps. 2,058,831	**US$ 3,290**	**Ps. 4,420,433**
Swaps US Dollar-Euro	US$ —	—	**US$ 150**	**96,967**
Swaps Yen-US Dollar	¥ 13,000	581,948	**¥ 6,500**	**262,993**
Swaps Pound sterling-US Dollar	£ —	—	**£ 100**	**2,988**
Swaps Euro-Brazilian Real	€ 300	1,080,552	**€ —**	**—**
Forwards US Dollar-Mexican Peso	US$ —	—	**US$ 100**	**18**
Forwards US Dollar-Brazilian Real	US$ 150	126,287	**US$ 83**	**90,429**
Forwards Brazilian Real-US Dollar	BRL $ 2,823	1,107,630	**BRL $ 5,803**	**1,620,605**
Forwards Euro-Brazilian Real	€ 150	123,005	**€ 50**	**4,255**
Forwards Euro-US Dollar	€ 710	209,295	**€ 1,506**	**204,241**
Forwards Argentinean Peso-US Dollar	ARS$ —	—	**ARS$ 1,388**	**122,831**
Total Assets		Ps. 5,287,548		**Ps. 6,825,760**

	At December 31,			
	2018		2019	
Instrument	Notional amount in millions	Fair Value	**Notional amount in millions**	**Fair Value**
Liabilities:				
Swaps US Dollar-Mexican Peso	US$ —	Ps. —	**US$ 200**	**Ps. (33,253)**
Swaps US Dollar-Euro	US$ 2,025	(5,114,863)	**US$ 800**	**(2,228,287)**
Swaps Pound sterling-Euro	£ 740	(4,027,312)	**£ 640**	**(2,201,997)**
Swap Pound sterling-US Dollar	£ 2,010	(5,836,607)	**£ 2,010**	**(3,019,255)**
Forwards US Dollar-Mexican Peso	US$ 977	(772,704)	**US$ 2,343**	**(1,398,247)**
Forwards Euro-US Dollar	€ 950	(333,586)	**€ 1,094**	**(554,278)**
Forwards US Dollar-Euro	US$ —	—	**US$ 20**	**(3,787)**
Forwards Euro-Brazilian Real	€ —	—	**€ 140**	**(10,196)**
Forwards Yen-US Dollar	¥ —	—	**¥ 6,500**	**(18,769)**
Put option	€ 374	(988,669)	**€ 374**	**(126,569)**
Call option	€ 3,000	(33,838)	**€ 3,000**	**(2,113)**
Total Liabilities		Ps. (17,107,579)		**Ps. (9,596,751)**
Non-current liability		Ps. (3,567,863)		**Ps. —**
Total current liability		Ps. (13,539,716)		**Ps. (9,596,751)**

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2017, 2018 and 2019 amounted to a gain (loss) of Ps. 8,192,567, Ps. (4,686,407) and Ps. 4,432,023. Such amounts are included in the consolidated statements of comprehensive income as part of the caption “Valuation of derivatives interest cost from labor obligations and other financial items, net”.

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

Instrument	Notional amount in millions	2020	2021	2022	2023	2024 Thereafter
Assets						
Swaps US Dollar-Mexican Peso	**US$**	—	—	1,400	—	1,890
Swaps Yen-US Dollar	**¥**	—	—	—	—	6,500
Swaps US Dollar-Euro	**US$**	—	—	—	—	150
Swaps Pound sterling-US Dollar	**£**	—	—	—	—	100
Forwards US Dollar-Mexican Peso	**US$**	100	—	—	—	—
Forwards Brazilian Real-US Dollar	**BRL**	4,660	1,143	—	—	—
Forwards US Dollar-Brazilian Real	**US$**	83	—	—	—	—
Forwards Argentinean Pesos-US Dollar	**ARS**	1,388	—	—	—	—
Forwards Euro-Brazilian Real	**€**	50	—	—	—	—
Forwards Euro-US Dollar	**€**	1,506	—	—	—	—
Liabilities						
Swaps US Dollar-Euro	**US$**	—	—	—	—	800
Swaps Pound sterling-Euro	**£**	—	—	—	—	640
Swap Pound sterling-US Dollar	**£**	550	—	—	—	1,460
Swap US Dollar-Mexican Peso	**US$**	—	—	200	—	—
Forwards US Dollar-Mexican Peso	**US$**	2,343	—	—	—	—
Forwards Yen-US Dollar	**¥**	6,500	—	—	—	—
Forwards Euro-US Dollar	**€**	1,094	—	—	—	—
Forwards US Dollar-Euro	**US$**	20	—	—	—	—
Forwards Euro-Brazilian Real	**€**	140	—	—	—	—
Put option	**€**	—	—	—	—	374
Call spread option	**€**	3,000	—	—	—	—

8. Inventories, net

An analysis of inventories at December 31, 2018 and 2019 is as follows:

	2018	2019
Mobile phones, accessories, computers, TVs, cards and other materials	Ps. 43,723,492	**Ps. 43,954,616**
Less: Reserve for obsolete and slow-moving inventories	(3,418,130)	**(2,852,604)**
Total	Ps. 40,305,362	**Ps. 41,102,012**

For the years ended December 31, 2017, 2018 and 2019, the cost of inventories recognized in cost of sales was Ps. 170,154,336, Ps. 180,013,986 and Ps. 174,543,602, respectively.

9. Other assets, net

An analysis of other assets at December 31, 2018 and 2019 is as follows:

	2018	2019
Current portion:		
Advances to suppliers (different from PP&E and inventories)	Ps. 12,931,247	**Ps. 7,718,343**
Prepaid insurance	949,590	**978,927**
Other	1,415,356	**776,164**
	Ps. 15,296,193	**Ps. 9,473,434**
Non-current portion:		
Recoverable taxes	Ps. 11,514,455	**Ps. 14,647,726**
Prepayments for the use of fiber optics	3,985,216	**2,095,556**
Judicial Deposits [1]	18,172,342	**19,506,147**
Prepaid expenses	8,789,588	**5,642,590**
Total	Ps. 42,461,601	**Ps. 41,892,019**

For the years ended December 31, 2017, 2018 and 2019, amortization expense for other assets was Ps. 620,680, Ps. 798,243 and Ps. 318,824, respectively.

(1) Judicial deposits represent cash and cash equivalents pledged in order to fulfill the collateral requirements for tax contingencies mainly in Brazil. At December 31, 2018 and 2019, the amount for these deposits is Ps. 18,172,342 and Ps. 19,506,147, respectively for Brazil. Based on its evaluation of the underlying contingencies, the Company believes that such amounts are recoverable.

10. Property, Plant and Equipment, net

a) An analysis of activity in property, plant and equipment, net for the years ended December 31, 2017, 2018 and 2019 is as follows:

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

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

	At December 31, 2018	Additions	Retirements	Business combinations	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year	At December 31, 2019
Cost							
Network in operation and equipment	**Ps. 969,195,936**	**Ps. 82,992,062**	**Ps. (13,417,360)**	**Ps. 9,572,805**	**Ps. (57,669,840)**	**Ps. —**	**Ps. 990,673,603**
Land and buildings	**57,130,326**	**1,530,677**	**(4,025,222)**	**115,935**	**(3,950,463)**	**—**	**50,801,253**
Other assets	**149,809,137**	**26,881,611**	**(7,594,735)**	**1,021,051**	**(7,776,500)**	**—**	**162,340,564**
Construction in process and advances plant suppliers [1]	**81,092,529**	**82,640,305**	**(76,892,011)**	**209,790**	**(5,511,439)**	**—**	**81,539,174**
Spare parts for operation of the network	**28,444,529**	**44,776,904**	**(36,525,735)**	**—**	**(2,462,605)**	**—**	**34,233,093**
Total	**1,285,672,457**	**238,821,559**	**(138,455,063)**	**10,919,581**	**(77,370,847)**	**—**	**1,319,587,687**
Accumulated depreciation							
Network in operation and equipment	**560,005,547**	**—**	**(24,954,514)**	**—**	**(47,778,627)**	**93,097,695**	**580,370,101**
Buildings	**8,810,949**	**—**	**(287,072)**	**—**	**(1,386,974)**	**2,330,405**	**9,467,308**
Other assets	**76,533,494**	**—**	**(695,425)**	**—**	**(4,754,982)**	**19,249,104**	**90,332,191**
Spare parts for operation of the network	**321,747**	**—**	**(283,986)**	**—**	**(79,226)**	**116,182**	**74,717**
Total	**Ps. 645,671,737**	**Ps. —**	**Ps. (26,220,997)**	**Ps. —**	**Ps. (53,999,809)**	**Ps. 114,793,386**	**Ps. 680,244,317**
Net Cost	**Ps. 640,000,720**	**Ps.238,821,559**	**Ps. (112,234,066)**	**Ps.10,919,581**	**Ps. (23,371,038)**	**Ps. (114,793,386)**	**Ps. 639,343,370**

[1] Construction in progress includes fixed and mobile network facilities as well as satellite developments and fiber optic which is in the process of being installed.

The completion period of construction in progress is variable and depends upon the type of plant and equipment under construction.

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

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

	Year ended December 31,		
	2017	2018	2019
Amount invested in the acquisition of qualifying assets	Ps. 49,642,370	Ps. 45,456,630	**Ps. 50,783,957**
Capitalized interest	2,875,034	2,020,288	**2,233,358**
Capitalization rate	5.8%	4.4%	**4.4%**

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

11. Intangible assets, net and goodwill

a) An analysis of intangible assets at December 31, 2017, 2018 and 2019 is as follows:

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

	For the year ended December 31, 2018						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	Ps. 247,413,824	Ps. 4,227,244	Ps. —	Ps. 1,508,274	Ps. —	Ps. (19,670,368)	Ps. 233,478,974
Accumulated amortization	(134,109,438)	—	—	(1,005,877)	(11,347,089)	16,281,825	(130,180,579)
Net	113,304,386	4,227,244	—	502,397	(11,347,089)	(3,388,543)	103,298,395
Trademarks	28,779,212	159,958	6,631	—	—	(738,635)	28,207,166
Accumulated amortization	(18,841,405)	—	—	—	(4,973,602)	275,046	(23,539,961)
Net	9,937,807	159,958	6,631	—	(4,973,602)	(463,589)	4,667,205
Customer relationships	26,985,714	74,637	15,556	—	—	(1,532,839)	25,543,068
Accumulated amortization	(16,129,495)	—	—	—	(3,754,312)	1,122,270	(18,761,537)
Net	10,856,219	74,637	15,556	—	(3,754,312)	(410,569)	6,781,531
Software licenses	15,055,598	2,004,550	3,006	(905,610)	—	(1,848,286)	14,309,258
Accumulated amortization	(7,815,161)	—	—	2,677,848	(3,491,629)	924,139	(7,704,803)
Net	7,240,437	2,004,550	3,006	1,772,238	(3,491,629)	(924,147)	6,604,455
Content rights	6,717,442	850,779	—	—	—	(18,512)	7,549,709
Accumulated amortization	(4,516,665)	—	—	—	(2,231,978)	(14,949)	(6,763,592)
Net	2,200,777	850,779	—	—	(2,231,978)	(33,461)	786,117
Total of intangibles, net	Ps. 143,539,626	Ps. 7,317,168	Ps. 25,193	Ps. 2,274,635	Ps. (25,798,610)	Ps. (5,220,309)	Ps. 122,137,703
Goodwill	Ps. 151,463,232	Ps. —	Ps. 334,739	Ps. (1,094,861)	—	Ps. (5,136,613)	Ps. 145,566,497

	For the year ended December 31, 2019						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	**Ps. 233,478,974**	**Ps.13,206,877**	**Ps. 7,844,339**	**Ps. 7,286,114**	**Ps. —**	**Ps. (15,715,442)**	**Ps. 246,100,862**
Accumulated amortization	**(130,180,579)**	**—**	**—**	**(2,391,624)**	**(11,577,160)**	**9,481,480**	**(134,667,883)**
Net	**103,298,395**	**13,206,877**	**7,844,339**	**4,894,490**	**(11,577,160)**	**(6,233,962)**	**111,432,979**
Trademarks	**28,207,166**	**53,467**	**—**	**(6,012)**	**—**	**(835,613)**	**27,419,008**
Accumulated amortization	**(23,539,961)**	**—**	**—**	**—**	**(1,008,483)**	**618,145**	**(23,930,299)**
Net	**4,667,205**	**53,467**	**—**	**(6,012)**	**(1,008,483)**	**(217,468)**	**3,488,709**
Customer relationships	**25,543,068**	**20,248**	**—**	**5,507**	**—**	**(2,693,812)**	**22,875,011**
Accumulated amortization	**(18,761,537)**	**—**	**—**	**—**	**(3,371,924)**	**2,357,831**	**(19,775,630)**
Net	**6,781,531**	**20,248**	**—**	**5,507**	**(3,371,924)**	**(335,981)**	**3,099,381**
Software licenses	**14,309,258**	**2,729,480**	**—**	**(949,858)**	**—**	**(2,984,770)**	**13,104,110**
Accumulated amortization	**(7,704,803)**	**—**	**—**	**(1)**	**(2,479,088)**	**2,183,149**	**(8,000,743)**
Net	**6,604,455**	**2,729,480**	**—**	**(949,859)**	**(2,479,088)**	**(801,621)**	**5,103,367**
Content rights	**7,549,709**	**1,427,694**	**—**	**1,638,007**	**—**	**(455,228)**	**10,160,182**
Accumulated amortization	**(6,763,592)**	**—**	**—**	**(8,720)**	**(1,772,779)**	**429,862**	**(8,115,229)**
Net	**786,117**	**1,427,694**	**—**	**1,629,287**	**(1,772,779)**	**(25,366)**	**2,044,953**
Total of intangibles, net	**Ps. 122,137,703**	**Ps.17,437,766**	**Ps. 7,844,339**	**Ps. 5,573,413**	**Ps. (20,209,434)**	**Ps. (7,614,398)**	**Ps. 125,169,389**
Goodwill	**Ps. 145,566,497**	**Ps. —**	**Ps.10,869,571**	**Ps. (843,005)**	**—**	**Ps. (2,693,262)**	**Ps. 152,899,801**

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

	2018	2019
Europe (7 countries)	Ps. 53,066,729	**Ps.52,950,325**
Brazil (Fixed, wireless and TV)	21,388,124	**28,062,398**
Puerto Rico	17,463,394	**17,463,394**
Dominican Republic	14,186,723	**14,186,723**
Colombia	12,770,381	**12,124,685**
México	9,856,601	**10,148,380**
Peru	3,086,981	**2,739,947**
Chile	2,576,214	**2,364,816**
El Salvador	2,510,577	**2,499,552**
Ecuador	2,155,385	**2,155,384**
Other countries	6,505,388	**8,204,197**
	Ps. 145,566,497	**Ps.152,899,801**

c) The following is a description of the major changes in the "Licenses and rights of use" caption during the years ended December 31, 2017, 2018 and 2019:

2017 Acquisitions

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

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

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

2018 Acquisitions

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

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

2019 Acquisitions

i) In 2019, Claro Brasil increased its licenses value by Ps. 3,457,251 by renewal licenses Anatel and reversion of IRU of Telxus referring to ICMS.

ii) In 2019, Austria acquired licenses to operate certain frequencies for Ps. 3,023,732, (3.5 GHz; EUR 64.3 mn), Belarus (2.1 GHz; EUR 9.5 mn) and Croatia (2.1 GHz; EUR 7.2 mn).

iii) In 2019, Telmex increased its licenses value by Ps. 459,668 for rights to use IFETEL with a validity of 20 years, and a right to use submarine cable with a validity of 10 years.

iv) In January 2019, Telcel acquired licenses for an amount of Ps.1,649,525 for PC´s 98 concessions titles and September 30, 2019 for 400 MHZ concessions titles.

v) In December 2019, Comcel increased its licenses value by Ps. 2,753,768 or (468,511,573,375 Colombian pesos) in accordance with Res.3386 of December 23, granted Claro (Comcel) the 20 years renewal of 10 MHz of spectrum in the 1900 MHz band.

vi) Additionally, in 2019, the Company acquired other licenses in Puerto Rico, Argentina, Guatemala, Panamá and other countries in the amount of Ps. 1,862,934.

Amortization of intangibles for the years ended December 31, 2017, 2018 and 2019 amounted to Ps. 24,348,182, Ps. 25,798,610 and Ps. 20,209,434, respectively.

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

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

a) The following is a description of the major acquisitions of investments in associates and subsidiaries during the years ended December 31, 2017 and 2019:

Acquisitions 2017

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

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

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

Acquisitions 2019

a) On January 24, 2019, the Company acquired 100% of Telefónica Móviles Guatemala, S.A (“Telefónica Guatemala”) from Telefónica S.A. and certain of its affiliates. The acquired company provides mobile and fixed telecommunications services, including voice, data and Pay TV. The final purchase price paid for the business acquisition was Ps. 5,946,787, net of acquired cash. For the purchase accounting, the Company determined the fair value of Telefónica Guatemala´s identifiable assets and liabilities based on relative fair values. The purchase accounting is substantially completed as of the date of the financial statements and the values of the assets acquired and liabilities assumed are as follows:

	2019 Provisional amounts at the acquisition date
Current assets	**Ps. 1,214,178**
Other non-current assets	**252,469**
Intangible assets (excluding goodwill)	**676,884**
Property, plant and equipment	**5,757,958**
Rights-of-use	**2,331,029**
Total assets acquired	**10,232,518**
Accounts payable	**4,579,590**
Other liabilities	**2,338,592**
Total liabilities assumed	**6,918,182**
Fair value of assets acquired and liabilities assumed, net	**3,314,336**
Acquisition price	**5,946,787**
Provisional goodwill	**Ps. 2,632,451**

b) On December 18, 2019, after receipt of the necessary approvals from local regulators, the Company completed the previously announced acquisition of 100% of Nextel Telecomunicações Ltda. and its subsidiaries ("Nextel Brazil"), from NII Holdings, Inc. and certain of its affiliates ("NII") and AI Brazil Holdings B.V. Nextel Brazil provides nationwide mobile telecommunications services. With this transaction, the Company consolidates its operations as one of the leading telecommunication service providers in Brazil, strengthening its mobile network capacity, spectrum portfolio, subscriber base, coverage and quality, particularly in the cities of São Paulo and Rio de Janeiro, the main markets in Brazil.

The aggregate purchase price was Ps. 18,028,103, after making adjustments pursuant to the Purchase Agreement. After deducting Ps. 9,325,750 of net debt, the net purchase price at closing was Ps. 7,335,045 net of acquired cash. The purchase price is subject to review and adjustment by the Company.

Derived from the recent date of completion of the acquisition, as of the date when the present consolidated financial statements were drawn up, the process for allocating the purchase price is provisional. This analysis should conclude in the coming months, yet will not last longer than twelve months from the acquisition date stipulated in the standard.

The provisional purchase accounting as of December 31, 2019, is as follows:

	2019 Provisional amounts at the acquisition date
Current assets	**Ps. 3,624,576**
Other non-current assets	**4,805,319**
Intangible assets (excluding goodwill)	**7,167,455**
Property, plant and equipment	**5,161,676**
Rights-of-use	**7,337,478**
Total assets acquired	**28,096,504**
Accounts payable	**14,036,438**
Other liabilities	**14,953,685**
Total liabilities assumed	**28,990,123**
Fair value of assets acquired and liabilities assumed, net	**(893,619)**
Acquisition Price	**7,335,045**
Provisional goodwill	**Ps. 8,228,664**

c) During 2019, the Company acquired through its subsidiaries, other entities for which it paid Ps. 48,808, net of acquired cash.

d) The Company acquired an additional non-controlling interest in its entities for an amount of Ps. 83,055.

b) Consolidated subsidiaries with non-controlling interests

The Company has control over Telekom Austria, which has a material non-controlling interest. Set out below is summarized information as of December 31, 2018 and 2019 of TKA's consolidated financial statements. The amounts disclosed for this subsidiary are before inter-company eliminations and using the same accounting policies of América Móvil.

Selected financial data from the consolidated statements of financial position

	December 31,	
	2018	2019
Assets:		
Current assets	Ps. 29,854,542	**Ps. 29,516,038**
Non-current assets	131,407,408	**137,724,390**
Total assets	Ps. 161,261,950	**Ps. 167,240,428**
Liabilities and equity:		
Current liabilities	Ps. 36,822,034	**Ps. 34,608,254**
Non-current liabilities	80,023,800	**89,711,288**
Total liabilities	116,845,834	**124,319,542**
Equity attributable to equity holders of the parent	22,621,625	**21,864,132**
Non-controlling interest	21,794,491	**21,056,754**
Total equity	Ps. 44,416,116	**Ps. 42,920,886**
Total liabilities and equity	Ps. 161,261,950	**Ps. 167,240,428**

Summarized consolidated statements of comprehensive income

	For the year ended December 31,		
	2017	2018	2019
Operating revenues	Ps. 93,644,173	Ps. 100,716,444	**Ps. 98,420,289**
Operating costs and expenses	86,920,692	95,984,880	**89,732,428**
Operating income	Ps. 6,723,481	Ps. 4,731,564	**Ps. 8,687,861**
Net income	Ps. 5,656,132	Ps. 3,809,694	**Ps. 5,051,145**
Total comprehensive income	Ps. 7,737,797	Ps. 5,047,838	**Ps. 1,466,783**
Net income attributable to:			
Equity holders of the parent	Ps. 2,884,627	Ps. 1,942,944	**Ps. 2,565,733**
Non-controlling interest	2,771,505	1,866,750	**2,485,412**
	Ps. 5,656,132	Ps. 3,809,694	**Ps. 5,051,145**
Comprehensive income attributable to:			
Equity holders of the parent	Ps. 3,978,263	Ps. 2,574,397	**Ps. 748,059**
Non-controlling interest	3,759,534	2,473,441	**718,724**
	Ps. 7,737,797	Ps. 5,047,838	**Ps. 1,466,783**

13. Income Taxes

As explained previously in these consolidated financial statements, the Company is a Mexican corporation which has numerous consolidated subsidiaries operating in different countries. Presented below is a discussion of income tax matters that relates to the Company's consolidated operations, its Mexican operations and significant foreign operations.

i) Consolidated income tax matters

The composition of income tax expense for the years ended December 31, 2017, 2018 and 2019 is as follows:

	2017	2018	2019
In Mexico:			
Current year income tax	Ps.16,568,274	Ps. 28,572,414	**Ps. 26,295,431**
Deferred income tax	2,582,287	(2,688,727)	**208,658**
Foreign:			
Current year income tax	13,524,729	19,898,728	**20,843,720**
Deferred income tax	(7,733,779)	694,664	**3,685,724**
	Ps.24,941,511	Ps. 46,477,079	**Ps. 51,033,533**

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

	For the years ended December 31,		
	2017	2018	2019
Remeasurement of defined benefit plans	Ps. 3,032,403	Ps. 408,735	**Ps. 9,217,320**
Effect of financial instruments acquired for hedging purposes	(5,337)		
Equity investments at fair value	(266,753)	1,613,667	**(378,606)**
Other	—	(8,922)	**—**
Deferred tax benefit (expense) recognized in OCI	Ps. 2,760,313	Ps. 2,013,480	**Ps. 8,838,714**

A reconciliation of the statutory income tax rate in Mexico to the consolidated effective income tax rate recognized by the Company is as follows:

	Year ended December 31,		
	2017	2018	2019
Statutory income tax rate in Mexico	30.0%	30.0%	**30.0%**
Impact of non-deductible and non-taxable items:			
Tax inflation effects	17.8%	7.3%	**3.5%**
Derivatives	1.0%	0.4%	**(0.1%)**
Employee benefits	2.2%	1.3%	**1.8%**
Other	2.6%	6.3%	**1.8%**
Effective tax rate on Mexican operations	53.6%	45.3%	**37.0%**
Use of unrecognized tax credits in Brazil	(0.4%)	—	**—**
Dividends received from associates Equity	(1.2%)	(0.8%)	**(0.4%)**
Foreign subsidiaries and other non-deductible items, net	(8.3%)	1.5%	**5.5%**
Effective tax rate	43.7%	46.0%	**42.1%**

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

	Consolidated statements of financial position		Consolidated statements of comprehensive income		
	2018	2019	2017	2018	2019
Provisions	Ps. 20,781,421	**Ps. 17,964,305**	Ps. 1,579,604	Ps. 1,841,705	**Ps. (257,070)**
Deferred revenues	6,866,120	**5,820,260**	(965,010)	3,632,051	**(1,077,259)**
Tax losses carry forward	27,881,491	**26,630,407**	(323,506)	(5,833,660)	**(9,873)**
Property, plant and equipment [1]	(11,756,590)	**(11,962,544)**	1,974,753	453,493	**(461,594)**
Inventories	2,106,976	**1,787,065**	519,046	81,270	**(291,531)**
Licenses and rights of use [1]	(3,896,788)	**(3,399,931)**	348,201	961,402	**432,403**
Employee benefits	33,673,874	**41,743,744**	1,225,310	1,128,209	**(1,019,042)**
Other	10,956,823	**9,491,550**	793,094	(270,407)	**(1,210,417)**
Net deferred tax assets	Ps. 86,613,327	**Ps. 88,074,856**			
Deferred tax expense in net profit for the year			Ps. 5,151,492	Ps. 1,994,063	**Ps. (3,894,383)**

(1) As of December 31, 2018 and 2019 the balance included the effects of hyperinflation.

Reconciliation of deferred tax assets and liabilities, net:

	2017	2018	2019
Opening balance as of January 1,	Ps. 98,589,818	Ps.104,573,985	**Ps. 86,613,327**
Deferred tax benefit	5,151,492	1,994,063	**(3,894,384)**
Translation effect	(1,687,276)	(8,854,010)	**2,047,916**
Deferred tax benefit recognized in OCI	2,760,313	2,013,480	**8,838,714**
Deferred taxes acquired in business combinations	(240,362)	(25,827)	**(276,568)**
Hyperinflationary effect in Argentina	—	(4,907,151)	**(5,254,149)**
Effect of adoption of IFRS 9	—	544,628	—
Effect of adoption of IFRS 15	—	(8,725,841)	—
Closing balance as of December 31,	Ps.104,573,985	Ps. 86,613,327	**Ps. 88,074,856**
Presented in the consolidated statements of financial position as follows:			
Deferred income tax assets	Ps.116,571,349	Ps.111,186,768	**Ps.106,167,897**
Deferred income tax liabilities	(11,997,364)	(24,573,441)	**(18,093,041)**
	Ps.104,573,985	Ps. 86,613,327	**Ps. 88,074,856**

The deferred tax assets are in tax jurisdictions in which the Company considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate sufficient taxable income in subsequent periods to utilize or realize such assets.

The Company does not recognize a deferred tax liability related to the undistributed earnings of its subsidiaries, because it currently does not expect these earnings to be taxable or to be repatriated in the near future. The Company's policy has been to distribute the profits when it has paid the corresponding taxes in its home jurisdiction and the tax can be accredited in Mexico.

At December 31, 2018 and 2019, the balance of the contributed capital account ("CUCA") is Ps. 536,278,717 and Ps. 551,221,490, respectively. On January 1, 2014, the *Cuenta de Utilidad Fiscal Neta* ("CUFIN") is computed on an América Móvil's stand-alone basis. The balance of the América Móvil's stand-alone basis CUFIN amounted to Ps. 276,185,284 and Ps. 320,880,512 as of December 31, 2018 and 2019, respectively.

ii) Significant foreign income tax matters

a) Results of operations

The foreign subsidiaries determine their taxes on profits based on their individual taxable income, in accordance with the specific tax regimes of each country.

The effective income tax rate for the Company's foreign jurisdictions was 15% in 2017, 31% in 2018 and 40% in 2019. The statutory tax rates in these jurisdictions vary, although many approximate 21% to 40%. The primary difference between the statutory rates and the effective rates in 2017, 2018 and 2019 was attributable to dividends received from KPN and other non-deductible items and non-taxable income.

iii) Tax losses

a) At December 31, 2019, the available tax loss carryforwards recorded in deferred tax assets are as follows on a country by country basis:

Country	Balance of available tax loss carryforwards at December 31, 2019	Tax loss carryforward benefit
Brazil	Ps. 52,118,464	**Ps.17,720,278**
Austria	14,470,465	**3,617,616**
Mexico	13,980,757	**4,194,227**
Colombia	2,354,479	**776,978**
Peru	392,999	**115,935**
Chile	754,221	**203,640**
Puerto Rico	4,598	**1,733**
Total	Ps. 84,075,983	**Ps.26,630,407**

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

bi) The Company has accumulated Ps. 52,118,464 in net operating loss carryforwards (NOL's) in Brazil as of December 31, 2019. In Brazil, there is no expiration of the NOL's. However, the NOL´s amount used against taxable income in each year may not exceed 30% of the taxable income for such year. Consequently, in the year in which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate tax rate.

The Company believes that it is more likely than not that the accumulated balances of its net deferred tax assets are recoverable, based on the positive evidence of the Company to generate future taxable income related to the same taxation authority which will result in taxable amounts against which the available tax losses can be utilized before they expire.

bii) The Company has accumulated Ps. 14,470,465 in NOL's in Austria as of December 31, 2019. In Austria, the NOL´s have no expiration, but its annual usage is limited to 75% of the taxable income of the year. The realization of deferred tax assets is dependent upon the expected generation of future taxable income during the periods in which these temporary differences become deductible.

biii) The Company has accumulated Ps.13,980,757 of tax losses in Mexico. The company estimates that there is positive evidence that allows it to use these losses, these should be reduced to the extent that it is considered likely that there will be sufficient taxable profits to allow them to recover in full or in part, the losses will only be compensated when there is a right legally required and are approved by the tax authorities in Mexico.

iv) Optional regime

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

On December 19, 2019, the integrating company submitted to the Mexican tax authorities, the notice to end to belong under the Optional Regime for Groups of Companies, which implies, pay in January 2020, the deferred income tax for the years 2016-2018. Therefore, from the year 2020, the group will be taxable under the General Regime for Legal Persons.

14. Debt

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

At December 31, 2018				(thousand pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	5.000%	2019	Ps. 14,762,175
	Fixed-rate Senior notes (i)	5.500%	2019	7,427,972
	Fixed-rate Senior notes (i)	5.000%	2020	41,822,521
	Fixed-rate Senior notes (i)	3.125%	2022	31,492,640
	Fixed-rate Senior notes (i)	6.375%	2035	19,315,420
	Fixed-rate Senior notes (i)	6.125%	2037	7,267,419
	Fixed-rate Senior notes (i)	6.125%	2040	39,365,800
	Fixed-rate Senior notes (i)	4.375%	2042	22,635,335
	Subtotal U.S. dollars			**Ps. 184,089,282**
Mexican pesos				
	Fixed-rate Senior notes (i)	6.000%	2019	Ps. 10,000,000
	Domestic Senior notes (i)	8.600%	2020	7,000,000
	Fixed-rate Senior notes (i)	6.450%	2022	22,500,000
	Fixed-rate Senior notes (i)	7.125%	2024	11,000,000
	Domestic Senior notes (i)	0.000%	2025	4,629,425
	Fixed-rate Senior notes (i)	8.460%	2036	7,871,700
	Domestic Senior notes (i)	8.360%	2037	5,000,000
	Subtotal Mexican pesos			**Ps. 68,001,125**
Euros				
	Fixed-rate Senior notes (i)	4.125%	2019	Ps. 22,558,572
	Exchangeable Bonds (i)	0.000%	2020	64,107,851
	Fixed-rate Senior notes (i)	3.000%	2021	22,558,572
	Fixed-rate Senior notes (i)	3.125%	2021	17,568,739
	Fixed-rate Senior notes (i)	4.000%	2022	18,028,031
	Fixed-rate Senior notes (i)	4.750%	2022	16,918,929
	Fixed-rate Senior notes (i)	3.500%	2023	7,132,481
	Fixed-rate Senior notes (i)	3.259%	2023	16,918,929
	Fixed-rate Senior notes (i)	1.500%	2024	19,174,786
	Fixed-rate Senior notes (i)	1.500%	2026	16,918,929
	Fixed-rate Senior notes (i)	2.125%	2028	14,663,072
	Subtotal Euros			**Ps. 236,548,891**
Pounds sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 12,550,801
	Fixed-rate Senior notes (i)	5.750%	2030	16,316,042
	Fixed-rate Senior notes (i)	4.948%	2033	7,530,481
	Fixed-rate Senior notes (i)	4.375%	2041	18,826,202
	Subtotal Pounds sterling			**Ps. 55,223,526**

At December 31, 2018				(thousand pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Brazilian reais				
	Debenture (i)	103.900% of CDI	2019	Ps. 5,079,720
	Promissory notes (i)	102.400% of CDI	2019	5,079,720
	Promissory notes (i)	103.250% of CDI	2019	1,828,699
	Debenture (i)	102.900% of CDI	2020	7,619,580
	Debenture (i)	104.000% of CDI	2021	5,587,692
	Debenture (i)	104.250% of CDI	2021	7,695,776
	Subtotal Brazilian reais			**Ps. 32,891,187**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 2,334,864
	Subtotal Japanese yen			**Ps. 2,334,864**
Chilean pesos				
	Fixed-rate Senior notes (i)	3.961%	2035	Ps. 3,904,707
	Subtotal Chilean pesos			**Ps. 3,904,707**
	Subtotal other currencies			**Ps. 6,239,571**
Hybrid Notes				
Euros				
	Euro NC10 Series B Capital Securities (iii)	6.375%	2073	Ps. 12,407,214
	Subtotal Euros			**Ps. 12,407,214**
Pounds sterling				
	GBP NC7 Capital Securities (iii)	6.375%	2073	Ps. 13,805,881
	Subtotal Pounds sterling			**Ps. 13,805,881**
	Subtotal Hybrid Notes			**26,213,095**
Lines of Credit and others				
U.S. dollars				
	Lines of credit (ii)	L + 0.200% and 1.500% - 8.950%	2019 - 2021	Ps. 11,698,885
Mexican pesos				
	Lines of credit (ii)	TIIE + 0.175%	2019	Ps. 4,500,000
Euros				
	Lines of credit (ii)	-0.100% - 0.000%	2019	Ps. 5,526,850
Brazilian reais				
	Lines of credit (ii)	5.000% - 6.000%	2019 - 2027	Ps. 27,009
Peruvian Soles				
	Lines of credit (ii)	4.700% - 12.100%	2019	Ps. 7,898,595
Chilean pesos				
	Financial Leases	8.700% - 8.970%	2019 - 2027	Ps. 64,437
	Subtotal Lines of Credit and others			**Ps. 29,715,776**
	Total debt			**Ps. 638,922,453**
	Less: Short-term debt and current portion of long-term debt			**Ps. 96,230,634**
	Long-term debt			**Ps. 542,691,819**

At December 31, 2019				(thousand pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	5.000%	2020	Ps. 11,774,764
	Fixed-rate Senior notes (i)	3.125%	2022	30,152,320
	Fixed-rate Senior notes (i)	3.625%	2029	18,845,200
	Fixed-rate Senior notes (i)	6.375%	2035	18,493,360
	Fixed-rate Senior notes (i)	6.125%	2037	6,958,119
	Fixed-rate Senior notes (i)	6.125%	2040	37,690,400
	Fixed-rate Senior notes (i)	4.375%	2042	21,671,980
	Fixed-rate Senior notes (i)	4.375%	2049	23,556,500
	Subtotal U.S. dollars			**Ps. 169,142,643**
Mexican pesos				
	Domestic Senior notes (i)	8.600%	2020	Ps. 7,000,000
	Fixed-rate Senior notes (i)	6.450%	2022	22,500,000
	Fixed-rate Senior notes (i)	7.125%	2024	11,000,000
	Domestic Senior notes (i)	0.000%	2025	4,757,592
	Fixed-rate Senior notes (i)	8.460%	2036	7,871,700
	Domestic Senior notes (i)	8.360%	2037	5,000,000
	Subtotal Mexican pesos			**Ps. 58,129,292**
Euros				
	Commercial Paper (iv)	-0.230%	2020	Ps. 380,360
	Commercial Paper (iv)	-0.230%	2020	211,311
	Commercial Paper (iv)	-0.230%	2020	211,311
	Commercial Paper (iv)	-0.230%	2020	950,901
	Commercial Paper (iv)	-0.230%	2020	633,934
	Commercial Paper (iv)	-0.230%	2020	211,311
	Exchangeable Bond (i)	0.000%	2020	60,051,270
	Fixed-rate Senior notes (i)	3.000%	2021	21,131,123
	Fixed-rate Senior notes (i)	3.125%	2021	15,848,342
	Fixed-rate Senior notes (i)	4.000%	2022	15,848,342
	Fixed-rate Senior notes (i)	4.750%	2022	15,848,342
	Fixed-rate Senior notes (i)	3.500%	2023	6,339,337
	Fixed-rate Senior notes (i)	3.259%	2023	15,848,342
	Fixed-rate Senior notes (i)	1.500%	2024	17,961,454
	Fixed-rate Senior notes (i)	1.500%	2026	15,848,342
	Fixed-rate Senior notes (i)	0.750%	2027	21,131,123
	Fixed-rate Senior notes (i)	2.125%	2028	13,735,230
	Subtotal Euros			**Ps. 222,190,375**
Pound Sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 12,491,541
	Fixed-rate Senior notes (i)	5.750%	2030	16,239,003
	Fixed-rate Senior notes (i)	4.948%	2033	7,494,924
	Fixed-rate Senior notes (i)	4.375%	2041	18,737,311
	Subtotal Pound Sterling			**Ps. 54,962,779**

At December 31, 2019				(thousand pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Brazilian reais				
	Debentures (i)	102.900% de CDI	2020	Ps. 7,013,124
	Debentures (i)	104.000% de CDI	2021	5,142,958
	Debentures (i)	104.250% de CDI	2021	7,083,256
	Promissory notes (i)	CDI + 0.600%	2021	1,683,150
	Promissory notes (i)	106.000% de CDI	2022	9,350,832
	Promissory notes (i)	106.500% de CDI	2022	4,675,416
	Subtotal Brazilian reais			**Ps. 34,948,736**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 2,255,663
	Subtotal Japanese yen			**Ps. 2,255,663**
Chilean pesos				
	Fixed-rate Senior notes (i)	3.961%	2035	Ps. 3,562,695
	Subtotal Chilean pesos			**Ps. 3,562,695**
	Subtotal other currencies			**Ps. 5,818,358**
Hybrid Notes				
Euros				
	Euro NC10 Series B Capital Securities (iii)	6.375%	2073	Ps. 11,622,118
	Subtotal Euros			**Ps. 11,622,118**
Pound Sterling				
	GBP NC7 Capital Securities (iii)	6.375%	2073	Ps. 13,740,695
	Subtotal Pound Sterling			**Ps. 13,740,695**
	Subtotal Hybrid Notes			**Ps. 25,362,813**
Lines of Credit and others				
U.S. dollars				
	Lines of credit (ii)	5.500% - 9.020%	2020 - 2024	Ps. 9,359,340
Mexican pesos				
	Lines of credit (ii)	TIIE + 0.050% - TIIE + 0.090%	2020	Ps. 22,000,000
Euros				
	Lines of credit (ii)	0.030%	2020	Ps. 2,113,112
Peruvian Soles				
	Lines of credit (ii)	3.550% - 3.700%	2020 - 2021	Ps. 15,351,211
Chilean pesos				
	Lines of credit (ii)	TAB + 0.350%	2021	Ps. 4,821,222
	Financial Leases	8.700% - 8.970%	2020 - 2027	Ps. 54,596
	Subtotal Lines of Credit and others			**Ps. 53,699,481**
	Total debt			**Ps. 624,254,477**
	Less: Short-term debt and current portion of long-term debt			**Ps. 129,172,033**
	Long-term debt			**Ps. 495,082,444**

L = LIBOR (London Interbank Offered Rate)

TIIE = Mexican Interbank Interest Rate

CDI = Brazil Interbank Deposit Rate

TAB = Chilean Weighted average funding rate

Interest rates on the Company's debt are subject to variances in international and local rates. The Company's weighted average cost of borrowed funds at December 31, 2018, and December 31, 2019 was approximately 4.31% and 4.16%, respectively.

Such rates do not include commissions or the reimbursements for Mexican tax withholdings (typically a tax rate of 4.9%) that the Company must pay to international lenders.

An analysis of the Company's short-term debt maturities as of December 31, 2018, and December 31, 2019, is as follows:

	2018	2019
Obligations and Senior Notes	Ps. 67,365,810	**Ps. 88,438,286**
Lines of credit	28,852,364	**40,722,004**
Financial Leases	12,460	**11,743**
Total	Ps. 96,230,634	**Ps. 129,172,033**
Weighted average interest rate	5.20%	**3.31%**

The Company's long-term debt maturities as of December 31, 2019 are as follows:

Years	Amount
2021	**Ps. 63,552,328**
2022	**98,645,036**
2023	**22,193,586**
2024 and thereafter	**310,691,494**
Total	**Ps. 495,082,444**

(i) Senior Notes

The outstanding Senior Notes at December 31, 2018, and December 31, 2019, are as follows:

Currency*	2018	2019
U.S. dollars	Ps. 184,089,282	**Ps. 169,142,643**
Mexican pesos	68,001,125	**58,129,292**
Euros**	236,548,891	**222,190,375**
Pounds sterling**	55,223,526	**54,962,779**
Brazilian reais	32,891,187	**34,948,736**
Japanese yens	2,334,864	**2,255,663**
Chilean pesos	3,904,707	**3,562,695**

* Thousands of Mexican pesos

** Includes secured and unsecured senior notes.

(ii) Lines of credit

At December 31, 2018, 2019, debt under lines of credit aggregated to Ps. $29,651 million and Ps. $53,645 million, respectively.

The Company has two revolving syndicated credit facilities, one for the Euro equivalent of U.S. $2,000 million and the other for U.S. $2,500 million maturing in 2021 and 2024, respectively. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2019, these credit facilities were undrawn. Telekom Austria has also an undrawn revolving syndicated credit facility in Euros for €1,000 million that matures in 2024.

(iii) Hybrid Notes

We currently have two Capital Securities (hybrid notes) maturing in 2073: a series denominated in euros for a total amount of €550 million with a coupon of 6.375% and a series denominated in pound sterling for £550 million with a coupon of 6.375%. The Capital Securities are deeply subordinated, and when they were issued the principal rating agencies stated that they would treat only half of the principal amount as indebtedness for purposes of evaluating our leverage (an analysis referred to as 50.0% equity credit). The Capital Securities are subject to redemption at our option at varying dates beginning in 2023 for the euro-denominated series and beginning in 2020 for the sterling-denominated series.

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

KPN

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

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

(iv) Commercial Paper

At December 31, 2019, debt under commercial paper aggregated to Ps. $2,599.1 million.

Restrictions

A portion of the debt is subject to certain restrictions with respect to maintaining certain financial ratios, as well as restrictions on selling a significant portion of groups of assets, among others. At December 31, 2019, the Company was in compliance with all these requirements.

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

Covenants

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

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

Several of the financing instruments of the Company may be accelerated, at the option of the debt holder in the case that a change in control occurs.

At December 31, 2019, the Company was in compliance with all the covenants.

15. Right-of-use assets and lease debt

The Company has lease contracts for various items of towers & sites, property and other equipment used in its operations. Towers and sites generally have lease terms between 5 and 12 years, while property and other equipment generally have lease terms between 5 and 25 years.

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets				
	Towers & Sites	Property	Other equipment	Total	Liability related to right-of-use of assets
As of January 1, 2019	Ps. 94,252,098	Ps. 21,075,884	Ps. 4,750,320	Ps. 120,078,302	Ps. 119,387,660
Additions and release	6,364,508	921,542	729,001	8,015,051	7,437,621
Business Combinations	9,668,507	—	—	9,668,507	10,810,111
Modifications	7,474,469	1,288,974	728,837	9,492,280	8,363,045
Depreciation	(17,286,497)	(4,941,222)	(1,365,847)	(23,593,566)	—
Interest expense	—	—	—	—	7,940,240
Payments	—	—	—	—	(26,765,075)
Translation adjustment	(4,370,636)	(905,808)	(380,907)	(5,657,351)	(6,576,869)
Balance at December 31, 2019	Ps. 96,102,449	Ps. 17,439,370	Ps. 4,461,404	Ps. 118,003,223	Ps. 120,596,733

The total of the right-of-use assets include an amount of Ps. 22,878,245 corresponding to related parties and the total of lease liabilities include an amount of Ps. 23,805,275 corresponding to related parties.

The implementation of IFRS 16 required a significant effort due to the fact of the need to make certain estimates, such as the lease term, based on the non-cancelable period and the periods covered by options to extend the lease. The Company considered the extension of the lease terms beyond the non-cancelable period only when it was reasonably certain to extend it. The reasonability of the extension was affected by several factors, such as regulation, business model, and geographical business strategies.

The maturity analysis of lease debt is disclosed as follows as of December 31, 2019:

	2019
Short term	**Ps. 25,894,711**
Long term	**94,702,022**
Total	**Ps. 120,596,733**

Maturity analysis	2019
Within one year	**Ps. 25,894,711**
After one year but not more than five years	**80,981,832**
More than five years	**13,720,190**
Total	**Ps. 120,596,733**

The following are the amounts recognized in profit or loss:

	2019		
	Others	Related parties	Total
Depreciation expense of right-of-use assets	Ps. 18,176,521	Ps. 5,417,045	**Ps. 23,593,566**
Interest expense on lease liabilities	5,654,721	2,285,519	**7,940,240**
Expense relating to short-term leases	1,978,403	1,958	**1,980,361**
Expense relating to leases of low-value assets	25,935	—	**25,935**
Variable lease payments	1,299,502	—	**1,299,502**
Total	Ps. 27,135,082	Ps. 7,704,522	**Ps. 34,839,604**

16. Accounts payable, accrued liabilities and asset retirement obligations

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

	At December 31,	
	2018	2019
Suppliers	Ps. 118,406,380	**Ps. 113,370,716**
Sundry creditors	91,087,197	**90,849,195**
Interest payable	8,535,519	**8,057,170**
Guarantee deposits from customers	1,421,336	**1,467,835**
Dividends payable	2,506,835	**2,367,908**
Total	Ps. 221,957,267	**Ps. 216,112,824**

b) The balance of accrued liabilities at December 31, 2018 and 2019 are as follows:

	At December 31,	
	2018	2019
Current liabilities		
Direct employee benefits payable	Ps. 16,152,118	**Ps. 17,991,283**
Contingencies	40,281,573	**34,379,969**
Total	Ps. 56,433,691	**Ps. 52,371,252**

The movements in contingencies for the years ended December 31, 2018 and 2019 are as follows:

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

	Balance at December 31, 2018	Business combination	Effect of translation	Increase of the year	Applications		Reclassification by adoption of IFRIC 23	Balance at December 31, 2019
					Payments	Reversals		
Contingencies	**Ps. 40,281,573**	**Ps.1,378,611**	**Ps. (2,302,058)**	**Ps.6,410,975**	**Ps. (5,483,327)**	**Ps. (1,833,518)**	**Ps. (4,072,287)**	**Ps. 34,379,969**

Contingencies include tax, labor, regulatory and other legal type contingencies. See Note 17 b) for detail of contingencies.

c) The movements in the asset retirement obligations for the years ended December 31, 2018 and 2019 are as follows:

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

	Balance at December 31, 2018	Business combination	Effect of translation	Increase of the year	Applications		Balance at December 31, 2019
					Payments	Reversals	
Asset retirement obligations	**Ps. 15,971,601**	**Ps. 293,548**	**Ps. (1,339,033)**	**Ps. 1,600,197**	**Ps. (128,842)**	**Ps. (580,727)**	**Ps. 15,816,744**

The discount rates used for the asset retirement obligation are based on market rates that are expected to be undertaken by the dismantling or restoration of cell sites and may include labor costs.

17. Commitments and Contingencies

a) Commitments

The Company and its subsidiaries have commitments that mature on different dates, related to committed capital expenditures and cell phone purchases.

As of December 31, 2019, the total amounts equivalent to the contract period are detailed below:

Year ended December 31,	
2020	**Ps. 69,338,478**
2021	**55,304,232**
2022	**13,512,005**
2023	**532,373**
Total	**Ps. 138,687,088**

b) Contingencies

In each of the countries in which we operate, we are party to legal proceedings in the ordinary course of business. These proceedings include tax, labor, antitrust, contractual matters and administrative and judicial proceedings concerning regulatory matters such as interconnection and tariffs. The following is a description of our material legal proceedings.

(1) Mexican Tax Assessment and Fine

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

In 2012, the SAT notified the Company and its subsidiary Sercotel, S.A. de C.V. ("Sercotel") of a tax assessment of approximately Ps. 1,400,000 for alleged tax improprieties arising from the transfer of certain accounts

receivable from one of the Company's subsidiaries to Sercotel. In 2014, the Company challenged the tax assessment, and a final resolution is pending. The Company has not established a provision in the accompanying consolidated financial statements for an eventual loss arising from this tax assessment, which the Company does not consider probable.

(2) Telcel Mobile Termination Rates

The mobile termination rates between Telcel and other network operators have been the subject of various legal proceedings. With respect to interconnection fees for 2017, 2018, 2019 and 2020, Telcel has challenged the applicable resolutions and final resolutions are pending.

Given that the "zero rate" that prevented Telcel from charging termination rates in its mobile network was held unconstitutional by the Supreme Court (*Suprema Corte de Justicia de la Nación* "SCJN"), the IFT has determined asymmetric interconnection rates for the termination of traffic in Telcel's and other operators' networks for 2018, 2019 and 2020. The resolutions setting such rates have been challenged by Telcel, and final resolutions are pending.

The Company expects that mobile termination rates, as well as other rates applicable to mobile interconnection (such as transit), will continue to be the subject of litigation and administrative proceedings. The Company cannot predict when or how these disputes will be resolved or the financial effects of any such resolution.

(3) Telcel Class Action Lawsuits

Two class action lawsuits have been filed against Telcel by customers allegedly affected by Telcel's quality of service and wireless and broadband rates. At this stage, the Company cannot assess whether these class action lawsuits could have an adverse effect on the Company's business and results of operations in the event that they are resolved against Telcel, due to uncertainty about the factual and legal claims underlying these proceedings. Consequently, the Company has not established a provision in the accompanying consolidated financial statements for an eventual loss arising from these proceedings.

(4) IFT Proceedings Against Telmex

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

(5) Brazilian Tax Matters

As of December 31, 2019, certain Company's Brazilian subsidiaries had aggregate tax contingencies of Ps. 137,382,429 (R$ 29,384,000) for which the Company has established provisions of Ps. 20,637,287 (R$ 4,414,000) in the accompanying consolidated financial statements for eventual losses arising from contingencies that the Company considers probable. The most significant contingencies for which provisions have been established are:

- Ps. 53,252,990 (R$ 11,390,000) aggregate contingencies and Ps. 3,515,913 (R$ 752,000) provisions related to value-added tax (*Imposto sobre a Circulação de Mercadorias e Prestação de Serviços* or "ICMS") assessments;
- Ps. 18,182,694 (R$ 3,889,000) aggregate contingencies and Ps. 4,072,287 (R$ 871,000) provisions related to social contribution on net income (*Contribuição Social sobre o Lucro Líquido* or "CSLL") and corporate income tax (*Imposto de Renda sobre Pessoa Jurídica* or "IRPJ") assessments;

- Ps. 18,084,510 (R$ 3,868,000) aggregate contingencies and Ps. 5,825,569 (R$ 1,246,000) provisions related to the social integration program (*Programa de Integração Social* or "PIS") and the contribution for social security financing (*Contribuição para o Financiamento da Seguridade Social* or "COFINS") assessments;
- Ps. 16,265,773 (R$ 3,479,000) aggregate contingencies and Ps. 1,613,019 (R$ 345,000) provisions mainly related to an allegedly improper exclusion of interconnection revenues and costs from the basis used to calculate Fund for Universal Telecommunication Services (*Fundo de Universalização dos Serviços de Telecomunicações* or "FUST") obligations, which are being contested;
- Ps. 4,937,239 (R$ 1,056,000) aggregate contingencies and Ps. 1,384 (R$ 296) provisions related to an alleged underpayment of obligations to the Telecommunications Technology Development Fund (*Fundo para o Desenvolvimento Tecnológico das Telecomunicações* or "FUNTTEL"), which are being challenged and a final resolution is pending;
- Ps. 1,954,324 (R$ 418,000) aggregate contingencies and Ps. 14,026 (R$ 3,000) provisions related to the alleged nonpayment of Services Tax (*Imposto Sobre Serviços* or "ISS") over several communication services, including Pay TV services, considered taxable for ISS by the Municipal Revenue Services, which are being challenged and a final resolution is pending;
- Ps. 3,356,949 (R$ 718,000) aggregate contingencies and Ps. 98,184 (R$ 21,000) provisions arising, among others, from the alleged underpayment of IRRF and CIDE taxes and on remittances made to foreign operators as remuneration for completing international calls abroad (outgoing traffic); and
- Ps. 4,599,207 (R$ 983,700) aggregate contingencies and Ps. 4,574,745 (R$ 978,468) provisions related to the requirement to contribute to the Promotion of Public Radio Broadcasting ("EBC").

In addition, the Company's Brazilian subsidiaries are subject to a number of contingencies for which it has not established provisions in the accompanying consolidated financial statements because the Company does not consider the potential losses related to these contingencies to be probable. These include a fine for Ps. 12,675,053 (R$ 2,711,000) imposed for an unpaid installation inspection fee (*Taxa de Fiscalização de Instalação* or "TFI") allegedly due for the renovation of radio base stations, which is being challenged on the basis that there was no new equipment installation that could have led to this charge.

(6) Anatel Challenge to Inflation Adjustments

Anatel has challenged the calculation of inflation-related adjustments due under the concession agreements with Tess S.A. ("Tess"), and Algar Telecom Leste S.A. ("ATL"), two of the Company's subsidiaries that were previously merged into Claro Brasil. Anatel rejected Tess and ATL's calculation of the inflation-related adjustments applicable to 60% of the concessions price (which was due in three equal annual installments, subject to inflation-related adjustments and interest), claiming that the companies' calculation of the inflation-related adjustments resulted in a shortfall of the installment payments. The companies have filed declaratory and consignment actions seeking the resolution of the disputes and have obtained injunctions from a federal appeals court suspending payment until the pending appeals are resolved.

The amount of the alleged shortfall as well as the method used to calculate monetary corrections are in dispute. If other methods or assumptions are applied, the amount may increase. In 2019, Anatel calculated the monetary correction in a total amount of Ps. 19,169,206 (R$ 4,100,000). As of December 31, 2019, the Company has established a provision of Ps. 3,197,985 (R$ 684,000) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

18. Employee Benefits

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

	At December 31,	
	2018	2019
Mexico	Ps. 85,517,190	**Ps. 116,537,660**
Puerto Rico	13,986,596	**13,228,592**
Brazil	5,666,694	**9,503,738**
Europe	12,705,926	**12,827,318**
Ecuador	448,608	**409,750**
Total	Ps. 118,325,014	**Ps. 152,507,058**

	For the year ended December 31		
	2017	2018	2019
Mexico	Ps. 11,586,065	Ps. 12,046,208	**Ps. 12,788,464**
Puerto Rico	776,238	686,067	**747,755**
Brazil	735,855	579,432	**511,964**
Europe	385,689	619,039	**2,526,957**
Ecuador	152,335	58,354	**34,425**
	Ps. 13,636,182	Ps. 13,989,100	**Ps. 16,609,565**

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

	At December 31							
	2018				2019			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Mexico	Ps. 247,997,060	Ps. (163,404,418)	Ps.	Ps. 84,592,642	**Ps. 280,602,176**	**Ps. (164,910,346)**	**Ps.**	**Ps. 115,691,830**
Puerto Rico	35,220,889	(21,234,293)		13,986,596	**35,803,893**	**(22,575,301)**		**13,228,592**
Brazil	18,795,315	(19,032,411)	5,087,543	4,850,447	**21,412,097**	**(18,815,174)**	**4,428,021**	**7,024,944**
Europe	4,477,042			4,477,042	**4,538,543**			**4,538,543**
Total	Ps. 306,490,306	Ps. (203,671,122)	Ps. 5,087,543	Ps. 107,906,727	**Ps. 342,356,709**	**Ps. (206,300,821)**	**Ps. 4,428,021**	**Ps. 140,483,909**

Below is a summary of the actuarial results generated for the pension and retirement plans as well as the medical services in Puerto Rico and Brazil; the pension plans and seniority premiums related to Telmex; the pension plan, the service awards plan and severance in Austria corresponding to the years ended December 31, 2017, 2018 and 2019:

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

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

	At December 31, 2019			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Balance at the beginning of the year	**Ps. 306,702,447**	**Ps. (203,671,122)**	**Ps. 5,087,543**	**Ps. 108,118,868**
Current service cost	**2,591,975**			**2,591,975**
Interest cost on projected benefit obligation	**31,001,348**			**31,001,348**
Expected return on plan assets		**(20,070,037)**		**(20,070,037)**
Changes in the asset ceiling during the period and others			**445,743**	**445,743**
Past service costs and others		**144,481**		**144,481**
Actuarial gain for changes in experience	**(22,599)**			**(22,599)**
Actuarial gain from changes in demographic assumptions	**(129)**			**(129)**
Actuarial loss from changes in financial assumptions	**36,163**			**36,163**
Net period cost	**Ps. 33,606,758**	**Ps. (19,925,556)**	**Ps. 445,743**	**Ps. 14,126,945**
Actuarial loss for changes in experience	**31,606,323**			**31,606,323**
Actuarial gain from changes in demographic assumptions	**(339,657)**			**(339,657)**
Actuarial loss from changes in financial assumptions	**7,207,072**			**7,207,072**
Changes in the asset ceiling during the period and others			**(712,064)**	**(712,064)**
Return on plan assets greater than discount rate		**423,514**		**423,514**
Recognized in other comprehensive income	**Ps. 38,473,738**	**Ps. 423,514**	**Ps. (712,064)**	**Ps. 38,185,188**
Contributions made by plan participants	**155,188**	**(155,188)**		**—**
Contributions to the pension plan made by the Company		**(1,337,610)**		**(1,337,610)**
Benefits paid	**(15,836,928)**	**15,836,928**		**—**
Payments to employees	**(16,996,920)**			**(16,996,920)**
Effect of translation	**(3,534,509)**	**2,528,213**	**(393,201)**	**(1,399,497)**
Others	**Ps. (36,213,169)**	**Ps. 16,872,343**	**Ps. (393,201)**	**Ps. (19,734,027)**
Balance at the end of the year	**342,569,774**	**(206,300,821)**	**4,428,021**	**140,696,974**
Less short-term portion	**(213,065)**			**(213,065)**
Non-current obligation	**Ps. 342,356,709**	**Ps. (206,300,821)**	**Ps. 4,428,021**	**Ps. 140,483,909**

In the case of other subsidiaries in Mexico, the net period cost of other employee benefits for the years ended December 31, 2017, 2018 and 2019 was Ps. 165,884, Ps.(16,347) and Ps.49,050, respectively. The balance of other employee benefits at December 31, 2018 and 2019 was Ps. 924,548 and Ps. 845,830 respectively.

In the case of Brazil, the net period cost of other benefits for the years ended December 31, 2017, 2018 and 2019 was Ps. 93,742, Ps.98,658 and Ps. 99,498, respectively. The balance of employee benefits at December 31, 2018 and 2019 was Ps. 724,009 and Ps. 2,402,285, respectively.

In the case of Ecuador, the net period cost of other benefits for the years ended December 31, 2017, 2018 and 2019 was Ps. 152,335, Ps.58,354 and Ps. 34,425, respectively. The balance of employee benefits at December 31, 2018 and 2019 was Ps. 448,608 and Ps. 409,750, respectively.

Plan assets are invested in:

	At December 31					
	2018			2019		
	Puerto Rico	Brazil	Mexico	Puerto Rico	Brazil	Mexico
Equity instruments	37%	—	39%	**41%**	**—**	**36%**
Debt instruments	60%	94%	61%	**58%**	**94%**	**64%**
Others	3%	6%	—	**1%**	**6%**	**—**
	100%	100%	100%	**100%**	**100%**	**100%**

Included in Telmex's net pension plan liability are plan assets of Ps. 163,404,418 and Ps. 164,910,346 as of December 31, 2018 and 2019, respectively, of which 30.4% and 31.9% during 2018 and 2019, respectively, were invested in equity and debt instruments of both América Movil and also of related parties, primarily entities that are under common control of the Company's principal shareholder. Telmex pension plan recorded a re-measurement of its defined pension plan of Ps. (1,141,142) and Ps. 34,782,129 during 2018 and 2019, respectively, attributable to a change in actuarial assumptions, and also a decline in the fair value of plan investments from December 31, 2018 to December 31, 2019. The decrease in fair value of the aforementioned related party pension plan investments approximated Ps. 21,279,760 and Ps. 4,156,919 during the years ended December 31, 2018 and 2019, respectively.

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

	2017				2018				2019			
	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe
Discount rate and long-term rate return	3.61%	10.18%	10.70%	1.0%, 1.5% & 2.00%	4.45%	9.10%	11.81%	1.25%, 1.75% & 2.00%	**3.23%**	**7.03%**	**10.50%**	**0.75%, 1.00% & 1.25%**
Rate of future salary increases	2.75%	4.50%	4.50%	3.0.%, 3.5% & 4.4%	2.75%	4.00%	3.55%	3.0.%, 3.5% & 4.4%	**2.75%**	**3.80%**	**3.20%**	**3.00%, 3.50% & 4.40%**
Percentage of increase in health care costs for the coming year	3.57%	11.00%			3.87%	10.50%			**3.18%**	**10.30%**		
Year to which this level will be maintained	N/A	2028			N/A	2029			**N/A**	**2029**		
Rate of increase of pensions				1.60%				1.60%				**1.60%**
Employee turnover rate*				0.0%-1.72%				0.0%-1.51%				**0.00%-1.38%**

* Depending on years of service

Biometric

Puerto Rico:	
Mortality:	RP 2014, MSS 2019 Tables.
Disability:	1985 Pension Disability Table
Brazil:	
Mortality:	2000 Basic AT Table for gender
Disability for assets:	UP 84 modified table for gender
Disability retirement:	80 CSO Code Table
Rotation:	Probability of leaving the Company other than death, Disability and retirement is zero

Europe

Life expectancy in Austria is based on "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler".

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

For the year ended December 31, 2019, the Company conducted a sensitivity analysis on the most significant variables that affect the DBO, simulating independently, reasonable changes to roughly 100 basis points in each of these variables. The increase (decrease) would have resulted in the DBO pension and other benefits at December 31, 2018 are as follows:

	100 points	+100 points
Discount rate	Ps.30,321,815	Ps.(26,138,603)
Health care cost trend rate	Ps. (878,071)	Ps. 1,032,650

Telmex Plans

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

Europe

Defined benefit pension plans

A1 Telekom Austria Group provides defined benefits for certain former employees in Austria. All eligible employees are retired and were employed prior to January 1, 1975. This unfunded plan provides benefits based on a percentage of salary and years employed, not exceeding 80% of the salary before retirement, and taking into consideration the pension provided by the social security system. A1 Telekom Austria Group is exposed primarily to the risk of development of life expectancy and inflation because the benefits from pension plans are lifetime benefits. Furthermore, at December 31, 2019 and 2018, approximately 10% and 7%, respectively, of the obligation for pensions relate to the employees of the company Akenes in Lausanne, which was acquired in 2017.

Service awards

Civil servants and certain employees (in the following "employees") are eligible to receive service awards. In accordance with the legal regulations, eligible employees receive a cash bonus of two months' salary after 25 years of service and four months' salary after 40 years of service. Employees with at least 35 years of service when retiring (at the age of 65) or who are retiring based on specific legal regulations are also eligible to receive the service award of four monthly salaries. The obligation is accrued over the period of service, taking into account the employee turnover rate of employees who leave service early. The main risk that A1 Telekom Austria Group is exposed to is the risk of development of salary increases and changes of interest rates.

Severance

Defined contribution plans

Employees who started work for A1 Telekom Austria Group in Austria on or after January 1, 2003 are covered by a defined contribution plan. A1 Telekom Austria Group paid Ps. 51,042 and Ps. 54,945 (1.53% of the salary or wage) into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG) in 2018 and 2019, respectively.

Defined benefit plans

Severance benefit obligations for employees hired before January 1, 2003, excluding civil servants, are covered by defined benefit plans. Upon termination by A1 Telekom Austria Group or retirement, eligible employees receive severance payments. Depending on their time in service, their severance is equal to a multiple of their monthly basic compensation plus variable elements such as overtime or bonuses, with a maximum of twelve monthly salaries. In case of death, the heirs of eligible employees receive 50% of the severance benefits. The primary risks to A1 Telekom Austria Group are salary increases and changes of interest rates.

b) Defined Contribution Plans

Brazil

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

At December 31, 2018 and 2019, the balance of the DCP liability was Ps. 92,238 and Ps.76,509, respectively. For the years ended December 31, 2017, 2018 and 2019 the cost of labor were Ps. 374, Ps. 2,377 and Ps. 3,365, respectively.

Europe

In Austria, pension benefits are generally provided by the social security system for employees, and by the government for civil servants. The contributions of 12.55% that A1 Telekom Austria Group made in 2018 and 2019 to the social security system and the government in Austria, amount to Ps. 1,348,773 and Ps. 1,334,713, respectively. Contributions of the foreign subsidiaries into the respective systems range between 7% and 29% and amount to Ps. 492,439 and Ps. 530,888 in 2018 and 2019, respectively.

Additionally, A1 Telekom Austria Group offers a defined contribution plan for employees of some of its Austrian subsidiaries. A1 Telekom Austria Group's contributions to this plan are based on a percentage of the compensation not exceeding 5%. The annual expenses for this plan amounted to Ps. 281 693 and Ps. 258,705 in 2018 and 2019, respectively.

As of December 31, 2018 and 2019 the liability related to this defined contribution plan amounted to Ps. 126,869 and Ps. 117,975, respectively.

Other countries

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

c) Long-term direct employee benefits

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

	Balance at December 31, 2018	Effect of translation	Increase of the year	Applications		Balance at December 31, 2019
				Payments	Reversals	
Long-term direct employee benefits ...	Ps. 8,111,778	Ps. (518,180)	Ps. 2,528,224	Ps. (1,946,055)	Ps. —	Ps. 8,175,767

In 2008, a comprehensive restructuring program was initiated in the segment Austria. The provision for restructuring includes future compensation of employees who will no longer provide services for A1 Telekom Austria Group but who cannot be laid off due to their status as civil servants. These employment contracts are onerous contracts under IAS 37, as the unavoidable cost related to the contractual obligation exceeds the future economic benefit. The restructuring program also includes social plans for employees whose employment will be terminated in a socially responsible way. In 2009 and every year from 2011 to 2019, new social plans were initiated that provide for early retirement, special severance packages and golden handshake options. Due to their nature as termination benefits, these social plans are accounted for according to IAS 19.

19. Financial Assets and Liabilities

Set out below is the categorization of the financial instruments, excluding cash and cash equivalents, held by the Company as of December 31, 2018 and 2019:

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

	December 31, 2019		
	Loans and Receivables	Fair value through profit or loss	Fair value through OCI
Financial Assets:			
Equity investments at fair value through OCI and other short term investments	**Ps. 10,145,615**	**Ps. —**	**Ps.37,572,410**
Accounts receivable from subscribers, distributors, contractual assets and other	**196,217,010**	**—**	**—**
Related parties	**1,273,140**	**—**	**—**
Derivative financial instruments	**—**	**6,825,760**	**—**
Total	**Ps. 207,635,765**	**Ps. 6,825,760**	**Ps.37,572,410**
Financial Liabilities:			
Debt	**Ps. 624,254,477**	**Ps. —**	**Ps. —**
Liability related to right-of-use of assets	**120,596,733**	**—**	**—**
Accounts payable	**216,112,824**	**—**	**—**
Related parties	**3,460,419**	**—**	**—**
Derivative financial instruments	**—**	**9,596,751**	**—**
Total	**Ps. 964,424,453**	**Ps. 9,596,751**	**Ps. —**

Fair value hierarchy

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

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

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

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

The fair value for the financial assets (excluding cash and cash equivalents) and financial liabilities shown in the consolidated statements of financial position at December 31, 2018 and 2019 is as follows:

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

	Measurement of fair value at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity investments at fair value through OCI and other short-term investments	**Ps. 37,572,410**	**Ps. 10,145,615**	**Ps. —**	**Ps. 47,718,025**
Derivative financial instruments	**—**	**6,825,760**	**—**	**6,825,760**
Pension plan assets	**185,981,861**	**20,294,557**	**24,404**	**206,300,822**
Total	**Ps. 223,554,271**	**Ps. 37,265,932**	**Ps. 24,404**	**Ps. 260,844,607**
Liabilities:				
Debt	**Ps. 582,003,256**	**Ps. 101,667,421**	**Ps. —**	**Ps. 683,670,677**
Liability related to right-of-use of assets	**120,596,733**	**—**	**—**	**120,596,733**
Derivative financial instruments	**—**	**9,596,751**	**—**	**9,596,751**
Total	**Ps. 702,599,989**	**Ps. 111,264,172**	**Ps. —**	**Ps. 813,864,161**

Fair value of derivative financial instruments is valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies different valuation techniques including forward pricing and swaps models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Fair value of debt Level 2 has been determined using a model based on present value calculation incorporating credit quality of AMX. The Company's investment in equity investments at fair value, specifically the investment in KPN, is valued using the quoted prices (unadjusted) in active markets for identical assets. The net realized gain (loss) related to derivative financial instruments for the years ended December 31, 2018 and 2019 was Ps. 5,286,290 and Ps. (1,774,932) respectively.

For the years ended December 31, 2018 and 2019, no transfers were made between Level 1 and Level 2 fair value measurement hierarchies.

Changes in liabilities arising from financing activities

	At December 31, 2017	Cash flow	Foreign currency exchange and other	At December 31, 2018
Total liabilities from financing activities	Ps. 697,884,899	Ps. (34,050,923)	Ps. (24,911,523)	Ps. 638,922,453

	At December 31, 2018	At January 1, 2019	Cash flow	Foreign currency exchange and other	At December 31, 2019
Debt	Ps. 638,922,453	Ps. —	Ps. 8,273,440	Ps. (22,941,416)	Ps. 624,254,477
Liability related to right-of-use of assets	—	119,387,660	(26,765,075)	27,974,148	120,596,733
Total liabilities from financing activities	**Ps. 638,922,453**	**Ps. 119,387,660**	**Ps. (18,491,635)**	**Ps. 5,032,732**	**Ps. 744,851,210**

20. Shareholders' Equity

a) Pursuant to the Company's bylaws, the capital stock of the Company consists of a minimum fixed portion of Ps. $270,049, (nominal amount), represented by a total of 71,063,212,170 shares (including treasury shares available for placement in accordance with the provisions of the *Ley del Mercado de Valores*), of which (i) 20,601,632,660 are "AA" shares (full voting rights); (ii) 530,585,278 are "A" shares (full voting rights); and (iii) 49,930,994,232 are "L" shares (limited voting rights).

b) As of December 31, 2019 and 2018, the Company's capital stock was represented by 66,004,214,830 (20,601,632,660 "AA" shares, 530,563,378 "A" shares and 44,872,018,792 "L" shares), and 66,034,792,526 (20,601,632,660 "AA" shares, 546,112,938 "A" shares and 44,887,046,928 "L" shares), respectively.

c) As of December 31, 2019 and 2018, the Company's treasury held for placement in accordance with the provisions of the *Ley del Mercado de Valores* and the *Disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes en el Mercado de valores* issued by the *Comisión Nacional Bancaria y de Valores,* a total amount of 5,058,997,340 shares (5,058,975,440 "L" shares and 21,900 "A" shares); and 5,028,419,644 shares (5,028,399,396 "L" shares and 20,248 "A" shares), respectively, all acquired pursuant to the Company's share repurchase program.

d) The holders of "AA" and "A" shares are entitled to full voting rights. The holders of "L" shares may only vote in limited circumstances, and they are only entitled to appoint two members of the Board of Directors and their respective alternates. The matters in which "L" shares holders are entitled to vote are the following: extension of the Company´s corporate life, dissolution of the Company, change of Company's corporate purpose, change of nationality of the Company, transformation of the Company, a merger with another company, any transaction representing 20% or more of the Company's consolidated assets, as well as the cancellation of the inscription of the shares issued by the Company at the *Registro Nacional de Valores* and any other foreign stock exchanges where they may be registered, except for quotation systems or other markets not organized as stock exchanges. Within their respective series, all shares confer the same rights to their holders.

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

e) Pursuant to the Company's bylaws, "AA" shares must at all times represent no less than 20% and no more than 51% of the Company's capital stock, and they shall also represent at all times, no less than 51% of the common shares (entitled to full voting rights, represented by "AA" and "A" shares) representing said capital stock.

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

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

Dividends

On April 9, 2019, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps. $0.35 (thirty-five peso cents) per share to each of the shares series of its capital stock "AA", "A" and "L". It was approved, that such dividend would be paid in two installments of Ps. $0.18 (eighteen peso cents) and Ps. $0.17 (seventeen peso cents), on July 15 and November 11, 2019 respectively.

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

Legal Reserve

According to the *Ley General de Sociedades Mercantiles*, companies must allocate from the net profit of each year, at least 5% to increase the legal reserve until it reaches 20% of its capital stock. This reserve may not be distributed to shareholders during the existence of the Company, except as a stock dividend. As of December 31, 2019 and 2018, the legal reserve amounted Ps. 358,440.

Restrictions on Certain Transactions

Pursuant to the Company's bylaws any transfer of more than 10% of the full voting shares ("A" shares and "AA" shares), effected in one or more transactions by any person or group of persons acting in concert, requires prior approval by our Board of Directors. If the Board of Directors denies such approval, however, the Company bylaws require it to designate an alternate transferee, who must pay market price for the shares as quoted on the *Bolsa Mexicana de Valores, S.A.B. de C.V.*

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to the "A" Shares, "L" Shares, "A" Share ADSs or "L" Share ADSs will generally be subject to a 10% Mexican withholding tax (provided that no Mexican withholding tax will apply to distributions of net taxable profits generated before 2015). Nonresident holders could be subject to a lower tax rate, to the extent that they are eligible for benefits under an income tax treaty to which Mexico is a party.

Earnings per Share

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

	For the years ended December 31,		
	2017	**2018**	**2019**
Net profit for the period attributable to equity holders of the parent	Ps. 29,325,921	Ps. 52,566,197	**Ps. 67,730,891**
Weighted average shares (in millions)	65,909	66,055	**66,016**
Earnings per share attributable to equity holders of the parent	Ps. 0.44	Ps. 0.79	**Ps. 1.03**

21. Components of other comprehensive loss

The movement on the components of the other comprehensive (loss) income for the years ended December 31, 2017, 2018 and 2019 is as follows:

	For the years ended December 31,		
	2017	2018	2019
Controlling interest:			
Valuation of the derivative financial instruments, net of deferred taxes	Ps. 12,292	Ps. —	**Ps. —**
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes	622,424	(3,765,688)	**883,408**
Translation effect of foreign entities	(21,683,333)	(61,223,458)	**(34,010,066)**
Remeasurement of defined benefit plan, net of deferred taxes	(7,075,606)	652,722	**(29,153,554)**
Non-controlling interest of the items above	3,402,973	(2,986,018)	**(1,908,304)**
Other comprehensive loss	Ps. (24,721,250)	Ps. (67,322,442)	**Ps. (64,188,516)**

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

For the years ended December 31, 2017, 2018 and 2019, valuation of derivatives and other financial items are as follows:

	For the years ended December 31,		
	2017	2018	2019
Controlling interest:			
Gain (loss) in valuation of derivatives, net	Ps. 8,192,567	Ps. (4,686,407)	**Ps. 4,432,023**
Capitalized interest expense (Note 10 c)	2,875,034	2,020,288	**2,233,358**
Commissions	(1,263,701)	(1,901,473)	**(2,820,477)**
Interest cost of labor obligations (Note 18)	(8,722,611)	(9,968,526)	**(11,377,054)**
Interest expense on taxes	(1,503,981)	(555,921)	**(516,522)**
Dividend received (Note 4)	2,385,559	2,605,333	**1,773,336**
Gain on net monetary positions	—	4,429,145	**4,267,194**
Other financial cost	(3,906,627)	(2,118,755)	**(5,067,200)**
Total	Ps. (1,943,760)	Ps. (10,176,316)	**Ps. (7,075,342)**

23. Segments

América Móvil operates in different countries. As mentioned in Note 1, the Company has operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Costa Rica, Brazil, Argentina, Colombia, United States, Honduras,

Chile, Peru, Paraguay, Uruguay, Dominican Republic, Puerto Rico, Panama, Austria, Croatia, Bulgaria, Belarus, Macedonian, Serbia and Slovenia. The accounting policies for the segments are the same as those described in Note 2.

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

The Company presents the following reportable segments for the purposes of its consolidated financial statements: Mexico (includes Telcel and Corporate operations and assets), Telmex (Mexico), Brazil, Southern Cone (includes Argentina, Chile, Paraguay and Uruguay), Central America (includes Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama), U.S.A. (excludes Puerto Rico), Caribbean (includes Dominican Republic and Puerto Rico), and Europe (includes Austria, Bulgaria, Croatia, Belarus, Slovenia, Macedonia and Serbia).

The segment Southern Cone comprises mobile communication services in Argentina as well as Chile, Paraguay and Uruguay. Beginning in 2018, hyperinflation accounting in accordance with IAS 29 was initially applied to Argentina, which results in the restatement of non-monetary assets, liabilities and all items of the statement of comprehensive income for the change in a general price index and the translation of these items applying the period-end exchange rate.

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

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbean	Europe	Eliminations	Consolidated total
As of and for the year ended December 31, 2017 (in Ps.):												
External revenues	190,022,612	89,731,238	210,536,673	81,092,885	72,435,460	56,393,595	44,094,835	148,589,487	35,092,578	93,644,172	—	1,021,633,535
Intersegment revenues	16,748,428	8,753,525	4,785,601	1,250,983	304,555	177,856	187,086	44	122,656	—	(32,330,734)	—
Total revenues	206,771,040	98,484,763	215,322,274	82,343,868	72,740,015	56,571,451	44,281,921	148,589,531	35,215,234	93,644,172	(32,330,734)	1,021,633,535
Depreciation and amortization	17,030,251	18,902,238	51,486,652	10,639,591	12,373,790	8,328,705	9,668,439	1,594,727	5,349,757	25,222,962	(422,170)	160,174,942
Operating income (loss)	50,666,028	7,921,524	11,601,369	11,676,427	(4,704,165)	5,650,477	5,252,401	2,915,123	4,752,168	4,523,857	(111,906)	100,143,303
Interest income	30,083,437	619,748	3,792,242	2,884,613	211,521	1,793,974	1,064,992	394,196	1,111,980	307,021	(39,338,076)	2,925,648
Interest expense	32,185,868	1,028,593	23,578,083	4,637,989	1,955,688	1,573,929	485,684	—	377,727	2,035,716	(37,558,496)	30,300,781
Income tax	18,142,482	387,145	(2,991,377)	3,535,302	(1,874,594)	1,806,085	2,025,618	1,803,555	3,529,253	(1,417,358)	(4,600)	24,941,511
Equity interest in net income (loss) of associated companies	99,044	16,564	(232)	(9,801)	—	—	—	—	—	(14,190)	—	91,385
Net profit (loss) attributable to equity holders of the parent	26,321,442	184,387	(6,617,381)	4,421,938	(6,209,530)	1,595,382	3,713,301	1,793,875	1,262,073	5,656,132	(2,795,698)	29,325,921
Assets by segment	1,033,036,406	170,402,561	428,281,963	133,136,177	108,362,023	113,478,626	81,529,691	40,761,830	88,672,466	203,858,243	(915,308,134)	1,486,211,852
Plant, property and equipment, net	59,137,555	109,713,770	187,459,628	69,006,093	57,060,931	35,930,966	39,050,481	1,693,642	32,173,524	85,116,608	—	676,343,198
Goodwill	27,102,384	213,926	24,708,739	3,073,444	13,981,033	6,113,495	5,597,990	3,341,956	14,186,723	53,143,542	—	151,463,232
Trademarks, net	406,723	274,786	246,557	—	—	—	—	631,024	262,641	8,116,076	—	9,937,807
Licenses and rights, net	11,457,720	13,175	35,662,305	8,885,086	4,197,498	11,295,202	3,376,106	—	7,276,039	31,141,255	—	113,304,386
Investment in associated companies	469,662	546,872	640	63,110	451	—	16,999	—	—	806,950	1,830,488	3,735,172
Liabilities by segments	794,598,013	133,428,178	322,620,030	119,123,646	54,756,152	48,656,628	35,501,900	38,249,957	43,978,410	119,240,533	(484,575,112)	1,225,578,335
As of and for the year ended December 31, 2018 (in Ps.):												
External revenues	207,610,244	86,339,289	188,712,666	89,149,978	75,460,428	55,633,192	44,883,585	153,266,315	36,435,541	100,716,443	—	1,038,207,681
Intersegment revenues	16,946,543	9,741,908	4,593,760	13,200,358	344,517	154,082	149,445	—	204,294	—	(45,334,907)	—
Total revenues	224,556,787	96,081,197	193,306,426	102,350,336	75,804,945	55,787,274	45,033,030	153,266,315	36,639,835	100,716,443	(45,334,907)	1,038,207,681
Depreciation and amortization	17,619,342	18,358,248	42,857,751	13,526,361	13,464,867	8,516,960	8,940,655	1,545,395	5,036,831	26,838,972	(992,802)	155,712,580
Operating income (loss)	57,450,599	8,085,764	23,494,903	16,975,797	14,388,552	5,003,915	4,867,763	2,665,270	5,811,846	4,731,562	(3,918,800)	139,557,171
Interest income	26,578,280	420,380	11,303,888	2,251,474	1,013,839	1,666,879	1,566,086	559,548	1,458,874	122,133	(36,295,212)	10,646,169
Interest expense	32,526,258	1,153,913	20,377,191	4,338,941	2,913,881	1,719,663	509,081	—	561,867	1,973,431	(34,302,793)	31,771,433
Income tax	28,842,505	643,377	4,026,444	1,390,039	2,251,877	2,498,666	2,533,600	810,898	2,774,204	707,093	(1,624)	46,477,079
Equity interest in net income (loss) of associated companies	(5,962)	44,965	(152)	(20,871)	—	—	—	—	—	(17,713)	—	267
Net profit (loss) attributable to equity holders of the parent	23,185,029	(2,201,572)	3,530,653	6,065,703	9,165,801	1,730,933	2,821,733	2,820,505	3,644,697	3,809,694	(2,006,979)	52,566,197
Assets by segment	970,564,314	174,461,398	390,791,480	127,946,573	111,975,598	96,347,779	81,640,157	38,814,907	102,531,547	186,135,358	(851,985,719)	1,429,223,392
Plant, property and equipment, net	56,056,634	103,737,293	173,197,708	62,988,635	51,422,548	35,800,477	37,146,601	1,356,237	38,011,242	80,421,642	(138,297)	640,000,720
Goodwill	27,104,632	215,381	21,388,124	2,796,759	12,770,380	5,242,365	5,466,871	3,328,533	14,186,723	53,066,729	—	145,566,497
Trademarks, net	227,774	243,556	124,910	—	—	—	—	507,033	249,984	3,313,948	—	4,667,205
Licenses and rights, net	10,573,147	—	25,873,910	12,555,496	3,400,235	9,651,582	3,605,416	—	10,294,336	27,344,273	—	103,298,395
Investment in associated companies	5,621,661	563,667	543	20,697	412	—	24,262	—	—	748,674	(3,847,209)	3,132,707
Liabilities by segments	748,965,728	136,993,838	298,308,084	94,550,901	56,211,438	50,064,761	28,592,953	35,552,678	58,716,154	117,214,746	(441,820,311)	1,183,350,970

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbean	Europe	Eliminations	Consolidated total
As of and for the year ended December 31, 2019 (in Ps.):												
External revenues	226,164,232	84,173,980	177,596,077	54,230,682	74,274,684	55,440,675	46,602,036	155,864,392	34,580,822	98,420,289	—	1,007,347,869
Intersegment revenues	11,676,015	11,863,364	4,182,248	11,041,705	361,386	92,249	132,061	—	1,136,879	—	(40,485,907)	—
Total revenues	237,840,247	96,037,344	181,778,325	65,272,387	74,636,070	55,532,924	46,734,097	155,864,392	35,717,701	98,420,289	(40,485,907)	1,007,347,869
Depreciation and amortization	24,742,622	16,346,927	39,424,474	13,847,506	13,439,489	10,256,129	11,045,817	1,396,422	6,322,648	24,975,146	(2,881,970)	158,915,210
Operating income (loss)	67,694,409	9,731,852	28,846,565	4,007,614	15,324,977	8,023,002	5,712,068	2,968,236	5,741,368	8,687,862	(1,897,418)	154,840,535
Interest income	23,713,455	1,839,973	3,155,681	896,256	1,306,571	1,283,788	532,046	324,932	1,478,560	115,359	(28,361,949)	6,284,672
Interest expense	30,972,658	1,439,785	19,021,965	3,849,318	2,952,123	2,422,887	1,406,720	385	1,435,862	2,220,168	(27,810,532)	37,911,339
Income tax	30,000,511	1,528,229	4,251,116	2,022,336	5,405,452	1,681,159	2,355,380	1,119,478	719,774	1,946,255	3,843	51,033,533
Equity interest in net income (loss) of associated companies	(3,732)	46,789	(1,538)	(23,424)	—	—	(28,795)	—	—	(6,909)	—	(17,609)
Net profit (loss) attributable to equity holders of the parent	42,598,946	(1,705,068)	5,618,095	(6,984)	9,571,046	(2,604,646)	2,335,963	2,095,807	4,312,630	5,051,145	463,957	67,730,891
Assets by segment	915,233,048	201,283,526	382,561,753	132,722,497	115,851,227	94,021,632	77,355,732	30,775,893	100,694,650	191,744,924	(710,311,225)	1,531,933,657
Plant, property and equipment, net	54,589,459	106,869,482	174,761,167	60,537,650	50,133,642	39,068,450	38,934,747	1,405,755	38,223,641	75,707,738	(888,361)	639,343,370
Goodwill	27,396,393	215,381	25,379,805	5,241,305	12,124,685	4,895,331	7,289,748	3,220,105	14,186,723	52,950,325	—	152,899,801
Trademarks, net	46,476	212,324	37,207	—	—	—	—	369,950	227,156	2,595,596	—	3,488,709
Licenses and rights, net	11,087,882	452,504	29,324,718	12,103,980	5,530,422	8,064,487	4,390,547	—	7,942,670	25,951,335	—	104,848,545
Investment in associated companies	3,562,323	610,807	111,073	(7,806)	391	—	25,603	—	—	—	(1,828,198)	2,474,193
Liabilities by segments	718,354,229	175,774,964	297,877,328	103,330,525	55,576,253	55,463,339	37,993,180	31,557,816	54,276,868	124,319,541	(349,497,251)	1,305,026,792

24. Recently Issued Accounting Standards

New standards, amendments and interpretations not yet effective

The estimated impact and evaluation of the recently issued accounting standards not yet in effect as of December 31, 2019 are as follows:

Amendments to IFRS 3: Definition of Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the consolidated financial statements of the Company but may impact future periods should the Company enter into any business combinations.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments had no impact on the consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

25. Subsequent Events

a) On March 25, 2020, the Company disbursed the full amount of the two existing revolving syndicated credit facilities—one for U.S.$2.5 billion and one for the Euro equivalent of U.S.$2.0 billion. The Company elected to draw on the facilities to assure liquidity.

b) On April 9, 2020, the Company announced a tender offer to purchase in cash its Zero Coupon Exchangeable Bonds due on May 28, 2020. The tender offer finalized on April 17, 2020 and resulted with the Company purchasing €1,318,200 of the principal amount of the Exchangeable Bond. Aggregate principal amount of €1,607,300 of the Exchangeable Bonds remains outstanding.

c) The coronavirus ("COVID-19") outbreak and its impact on global economies could have an effect on the Company's business, which will depend on the duration and spread of the outbreak. The financial resilience of the Company and its vast and critical infrastructure will contribute to mitigate the mentioned impact.

26. Supplemental Guarantor Information

Condensed Consolidating Financial Information

The following consolidating information presents condensed consolidating statements of financial position as of December 31, 2018 and 2019 and condensed consolidating statements of comprehensive income and cash flows for each of the three years in the period ended December 31, 2019 of the Company and Telcel (the "wholly-owned Guarantor Subsidiary"). The unconsolidated financial statements of América Móvil and Telcel reflect their investments in subsidiaries on the basis of the equity method. These unconsolidated entities are the Guarantors of most of América Móvil's consolidated obligations. The guarantees of the Guarantor are full and unconditional.

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

Condensed consolidating statements of financial position

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

Condensed consolidating statements of financial position

	As of December 31, 2019				
	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets:					
Cash and cash equivalents	Ps. 2,181,914	Ps. 1,324,828	Ps. 16,238,914	Ps. —	Ps. 19,745,656
Equity investments at fair value through other comprehensive income (OCI) and other short-term investments	7,457,617	—	40,260,408	—	47,718,025
Accounts receivable and derivative financial instruments	33,572,793	32,387,110	145,572,153	—	211,532,056
Related parties	212,730,983	1,804,175	270,172,956	(483,434,974)	1,273,140
Inventories, net	179,359	24,849,028	16,073,625	—	41,102,012
Other current assets, net	—	8,127,140	1,346,294	—	9,473,434
Property, plant and equipment, net	721,263	23,549,234	615,072,873	—	639,343,370
Investments in associated companies	589,026,740	90,975,391	16,363,504	(693,891,442)	2,474,193
Intangible assets and other non-current assets, net	1,868,962	82,260,873	477,068,306	(1,926,370)	559,271,771
Total assets	Ps. 847,739,631	Ps. 265,277,779	Ps. 1,598,169,033	Ps. (1,179,252,786)	Ps. 1,531,933,657
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 102,939,138	Ps. —	Ps. 26,232,895	Ps. —	Ps. 129,172,033
Current liabilities	104,397,419	163,515,007	324,211,152	(195,895,866)	396,227,712
Long-term debt	395,296,683	—	99,785,761	—	495,082,444
Other non-current liabilities	67,196,432	87,597,558	417,289,721	(287,539,108)	284,544,603
Total liabilities	Ps. 669,829,672	Ps. 251,112,565	Ps. 867,519,529	Ps. (483,434,974)	Ps. 1,305,026,792
Equity attributable to equity holders of the parent	177,909,959	14,165,214	620,224,573	(634,389,787)	177,909,959
Non-controlling interests	—	—	110,424,931	(61,428,025)	48,996,906
Total equity	177,909,959	14,165,214	730,649,504	(695,817,812)	226,906,865
Total liabilities and equity	Ps. 847,739,631	Ps. 265,277,779	Ps. 1,598,169,033	Ps. (1,179,252,786)	Ps. 1,531,933,657

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2017

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

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2018

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

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2019

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total operating revenues	**Ps. 171,369,419**	**Ps. 205,719,219**	**Ps. 867,599,640**	**Ps. (237,340,409)**	**Ps. 1,007,347,869**
Total operating cost and expenses	**138,116,795**	**188,910,056**	**755,812,050**	**(230,331,567)**	**852,507,334**
Operating income	**33,252,624**	**16,809,163**	**111,787,590**	**(7,008,842)**	**154,840,535**
Interest (expense) income, net	**(25,482,552)**	**(16,714,198)**	**10,362,884**	**207,199**	**(31,626,667)**
Foreign currency exchange (loss) gain, net	**14,553,340**	**(43,999)**	**(9,283,270)**	**—**	**5,226,071**
Valuation of derivatives, interest cost from labor obligations and other financial items, net	**4,580,710**	**—**	**(11,656,052)**	**—**	**(7,075,342)**
Income tax	**13,098,827**	**1,082,274**	**36,852,432**		**51,033,533**
Equity interest in net result of associated companies	**53,925,595**	**2,146,151**	**1,097,234**	**(57,186,589)**	**(17,609)**
Net profit (loss) for the year	**Ps. 67,730,890**	**Ps. 1,114,843**	**Ps. 65,455,954**	**Ps. (63,988,232)**	**Ps. 70,313,455**
Net profit for the year attributable to:					
Equity holders of the parent	**67,730,890**	**1,114,843**	**59,618,592**	**(60,733,434)**	**67,730,891**
Non-controlling interest	**—**	**—**	**5,837,362**	**(3,254,798)**	**2,582,564**
Net profit (loss) for the year	**Ps. 67,730,890**	**Ps. 1,114,843**	**Ps. 65,455,954**	**Ps. (63,988,232)**	**Ps. 70,313,455**
Other comprehensive income items:					
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:					
Effect of translation of foreign entities	**(34,010,066)**	**1,639,022**	**(35,536,252)**	**32,371,044**	**(35,536,252)**
Items that will not be reclassified to (loss) or profit in subsequent years:					
Re-measurement of defined benefit plan, net of deferred taxes	**(29,153,554)**	**(2,654,252)**	**(29,535,672)**	**31,807,806**	**(29,535,672)**
Unrealized gain on equity investments at fair value, net of deferred taxes	**883,408**	**—**	**883,408**	**(883,408)**	**883,408**
Total other comprehensive loss items for the year, net of deferred taxes	**Ps. (62,280,212)**	**Ps. (1,015,230)**	**Ps. (64,188,516)**	**Ps. 63,295,442**	**Ps. (64,188,516)**
Total comprehensive income for the year	**Ps. 5,450,678**	**Ps. 99,613**	**Ps. 1,267,438**	**Ps. (692,790)**	**Ps. 6,124,939**
Comprehensive income for the year attributable to:					
Equity holders of the parent	**Ps. 5,450,678**	**Ps. 99,613**	**Ps. 593,178**	**Ps. (692,790)**	**Ps. 5,450,679**
Non-controlling interests	**—**	**—**	**674,260**	**—**	**674,260**
	Ps. 5,450,678	**Ps. 99,613**	**Ps. 1,267,438**	**Ps. (692,790)**	**Ps. 6,124,939**

Condensed consolidating statements of cash flows

For the year ended December 31, 2017

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

Condensed consolidating statements of cash flows

For the year ended December 31, 2018

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before income tax	Ps. 70,478,437	Ps. (1,698,687)	Ps. 78,176,117	Ps. (45,961,965)	Ps. 100,993,902
Non-cash items	(23,099,316)	20,952,414	149,503,016	39,836,704	187,192,818
Working capital changes:	(49,040,542)	(35,329,228)	(61,332,380)	105,845,958	(39,856,192)
Net cash flows provided by operating activities	Ps. (1,661,421)	Ps. (16,075,501)	Ps. 166,346,753	Ps. 99,720,697	Ps. 248,330,528
Investing activities:					
Purchase of property, plant and equipment	(17,709)	(4,031,228)	(139,839,096)	—	(143,888,033)
Acquisition of intangibles	—	(2,993,373)	(4,940,274)	—	(7,933,647)
Dividends received	24,314,803	—	2,622,237	(24,314,803)	2,622,237
Proceeds from sale of plant, property and equipment	—	—	178,532	—	178,532
Acquisition of business, net of cash acquired	—	—	(310,604)	—	(310,604)
Investments in associate companies	—	(5,092,881)	—	5,092,881	—
Partial sale of shares of associated company	—	—	548,484	—	548,484
Net cash flows provided by (used in) investing activities	Ps. 24,297,094	Ps. (12,117,482)	Ps. (141,740,721)	Ps. (19,221,922)	Ps. (148,783,031)
Financing activities:					
Bank loans, net	24,784,341	—	19,592,788	(78,428,052)	(34,050,923)
Acquisition of non-controlling interests	—	—	(115,821)	—	(115,821)
Interest paid	(24,802,363)	26,385,526	(6,066,654)	(26,385,526)	(30,869,017)
Repurchase of shares	(514,007)	—	2,586	—	(511,421)
Dividends paid	(20,787,102)	—	(25,897,494)	24,314,803	(22,369,793)
Redemption of hybrid bond	—	—	(13,440,120)	—	(13,440,120)
Net cash flows (used in) provided by financing activities	Ps. (21,319,131)	Ps. 26,385,526	Ps. (25,924,715)	Ps. (80,498,775)	Ps. (101,357,095)
Net increase (decrease) in cash and cash equivalents	1,316,542	(1,807,457)	(1,318,683)	—	(1,809,598)
Adjustment to cash flows due to exchange rate fluctuations, net	—	—	(800,913)	—	(800,913)
Cash and cash equivalents at beginning of the year	7,018,559	3,553,352	13,698,562	—	24,270,473
Cash and cash equivalents at end of the year	Ps. 8,335,101	Ps. 1,745,895	Ps. 11,578,966	Ps. —	Ps. 21,659,962

Condensed consolidating statements of cash flows

For the year ended December 31, 2019

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before income tax	**Ps. 80,829,717**	**Ps. 2,197,117**	**Ps. 102,308,386**	**Ps. (63,988,232)**	**Ps. 121,346,988**
Non-cash items	**(46,879,977)**	**12,508,840**	**174,550,273**	**48,007,886**	**188,187,022**
Working capital changes	**(24,351,260)**	**(36,428,726)**	**(56,610,878)**	**42,135,322**	**(75,255,542)**
Net cash flows provided by (used in) operating activities	**Ps. 9,598,480**	**Ps. (21,722,769)**	**Ps. 220,247,781**	**Ps. 26,154,976**	**Ps. 234,278,468**
Investing activities:					
Purchase of property, plant and equipment	**(147,714)**	**(1,821,745)**	**(130,914,876)**		**(132,884,335)**
Acquisition of intangibles		**(2,413,193)**	**(16,549,663)**		**(18,962,856)**
Dividends received	**27,817,109**	**—**	**1,773,336**	**(27,817,109)**	**1,773,336**
Proceeds from sale of plant, property and equipment			**344,924**		**344,924**
Acquisition of business, net of cash acquired	**(7,335,058)**	**—**	**(5,995,593)**		**(13,330,651)**
Investments in associate companies	**(5,819,645)**	**(3,359,058)**	**(56,985)**	**9,178,703**	**(56,985)**
Partial sale of shares of associated company			**36,478**		**36,478**
Net cash flows provided by (used in) investing activities	**Ps. 14,514,692**	**Ps. (7,593,996)**	**Ps. (151,362,379)**	**Ps. (18,638,406)**	**Ps. (163,080,089)**
Financing activities:					
Bank loans, net	**14,815,606**		**(104,185)**	**(6,437,981)**	**8,273,440**
Acquisition of non-controlling interests			**(83,055)**		**(83,055)**
Interest paid	**(21,907,497)**	**28,895,698**	**(6,139,198)**	**(28,895,698)**	**(28,046,695)**
Repurchase of shares	**(435,713)**				**(435,713)**
Dividends paid	**(22,738,755)**		**(29,326,499)**	**27,817,109**	**(24,248,145)**
Payment of liability related to right-of-use of assets			**(26,765,075)**		**(26,765,075)**
Net cash flows (used in) provided by financing activities	**Ps. (30,266,359)**	**Ps. 28,895,698**	**Ps. (62,418,012)**	**Ps. (7,516,570)**	**Ps. (71,305,243)**
Net (decrease) increase in cash and cash equivalents	**(6,153,187)**	**(421,067)**	**6,467,390**		**(106,864)**
Adjustment to cash flows due to exchange rate fluctuations, net			**(1,807,442)**		**(1,807,442)**
Cash and cash equivalents at beginning of the year	**8,335,101**	**1,745,895**	**11,578,966**		**21,659,962**
Cash and cash equivalents at end of the year	**Ps. 2,181,914**	**Ps. 1,324,828**	**Ps. 16,238,914**	**Ps. —**	**Ps. 19,745,656**


américa
móvil

Exhibit 2.1

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

As of December 31, 2019, América Móvil (the "Company," "we," "us," and "our") had the following classes of securities registered pursuant to Section 12(b) of the Exchange Act:

No.	Title of each class	Trading symbol(s)	Name of each exchange on which registered
I.	AA Shares, A Shares and L Shares*	—	—
II.	A Shares ADSs	AMOV	New York Stock Exchange
	L Shares ADSs	AMX	New York Stock Exchange
III.	6.375% Notes Due 2035	AMX35	New York Stock Exchange
	6.125% Notes Due 2037	AMX37	New York Stock Exchange
	6.125% Senior Notes Due 2040	AMX40	New York Stock Exchange
	3.125% Senior Notes Due 2022	AMX22	New York Stock Exchange
	4.375% Senior Notes Due 2042	AMX42	New York Stock Exchange
	3.625% Senior Notes Due 2029	AMX29	New York Stock Exchange
	4.375% Senior Notes Due 2049	AMX49	New York Stock Exchange

* Not for trading, but only in connection with the registration of A Share ADSs and L Shares ADSs representing such shares.

Capitalized terms used but not defined herein have the meanings given to them in our annual report on Form 20-F for the fiscal year ended December 31, 2019.

I. AA SHARES, A SHARES AND L SHARES

Below is a brief summary of certain significant provisions of our current bylaws and Mexican law relating to the AA Shares, A Shares and L Shares. It does not purport to be complete and is qualified by reference to the bylaws themselves. An English translation of our bylaws has been filed with the SEC as an exhibit to our annual report.

Shareholders' Equity

We have three classes of outstanding shares: AA Shares, A Shares and L Shares, all without par value, fully paid and non-assessable.

AA Shares and A Shares have full voting rights

L Shares may vote only in limited circumstances as described below under "Voting Rights."

The rights of all series of shares are generally identical except for voting rights and the limitations on non-Mexican ownership of AA Shares and A Shares. The AA Shares must always represent at least 51.0% of the combined AA Shares and A Shares. At least 20.0% of our outstanding shares must consist of AA Shares, and not more than 80% can be A Shares and L Shares.

Each AA Share or A Share may be exchanged at the option of the holder for one L Share, provided that the AA Shares may never represent less than 20.0% of our outstanding shares or less than 51.0% of our combined AA Shares and A Shares.

Any capital increase must be represented by new shares of each series in proportion to the number of shares of each series outstanding.

Voting Rights

Each AA Share or A Share entitles the holder to one vote at any shareholders meeting.

Each L Share entitles the holder to one vote at any meeting at which L Shares are entitled to vote. L Shares are entitled to vote to elect only two members of the Board and the corresponding alternate directors, as well as on the following limited matters: our transformation from one type of company to another; any merger involving us; the extension of our authorized corporate duration; our voluntary dissolution; any change in our corporate purpose; any transaction that represents 20.0% or more of the Company's consolidated assets; any change in our jurisdiction of incorporation; removal of our shares from listing on the Mexican Stock Exchange or any foreign exchange; and any action that would prejudice the rights of L Shares. A resolution on any of the specified matters requires the affirmative vote of both a majority of all outstanding shares and a majority of the AA Shares and the A Shares voting together.

Shares of any series are also entitled to vote as a class on any action that would prejudice the rights of that series and are entitled to judicial relief against any action taken without their vote.

Shareholders' Meetings

General shareholders' meetings may be ordinary or extraordinary. Extraordinary general meetings are those called to consider certain specified matters, including, principally, changes to the bylaws, liquidation, merger and transformation, as well as to consider the removal of our shares from listing on the Mexican Stock Exchange or any foreign stock exchange. General meetings called to consider all other matters are ordinary meetings.

An ordinary general meeting of AA Shares and A Shares must be held each year to consider the approval of the financial statements for the preceding fiscal year, to elect directors and to determine the allocation of the profits. Transactions that represent 20.0% or more of our consolidated assets in any fiscal year must be approved by an ordinary general shareholder meeting of all shareholders, including L Shares. All other matters on which L Shares are entitled to vote would be considered at an extraordinary general meeting.

The two directors elected by the L Shares are elected at a special meeting of L Shares. A special meeting of the L Shares must be held each year for the election of directors.

The quorum for an ordinary general meeting of the AA Shares and A Shares is 50.0% of such shares, and action may be taken by a majority of the shares present. If a quorum is not available, a second meeting may be called at which action may be taken by a majority of the AA Shares and A Shares present, regardless of the number of such shares. Special meetings of L Shares are governed by the same rules applicable to ordinary general meetings of AA Shares and A Shares. The quorum for an extraordinary general meeting at which L Shares may not vote is 75.0% of the AA Shares and A Shares, and the quorum for an extraordinary general meeting at which L Shares are entitled to vote is 75.0% of the outstanding capital stock. If a quorum is not available in either case, a second meeting may be called and action may be taken, provided a majority of the shares entitled to vote is present. Whether on first or second call, actions at an extraordinary general meeting may be taken by a majority vote of the AA Shares and A Shares outstanding and, on matters which L Shares are entitled to vote, a majority vote of all the capital stock.

Holders of 20.0% of our outstanding capital stock may have any shareholder action set aside by filing a complaint with a Mexican court of law within 15 days after the close of the meeting at which such action was taken and showing that the challenged action violates Mexican law or our bylaws. In addition, any holder of our capital stock may bring an action at any time within five years challenging any shareholder action. Relief under these provisions is only available to holders who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Shareholders' meetings may be called by the Board, its chairman, its corporate secretary, the Chairman of the Audit and Corporate Practices Committee or a Mexican court of law. The Chairman of the Board or the Chairman of the Audit and Corporate Practices Committee may be required to call a meeting of shareholders by the holders of 10.0% of the outstanding shares. Notice of meetings must be published at least 15 days prior to the meeting.

A shareholder is required to deposit its shares with a custodian in order to attend a shareholders' meeting.

Dividend Rights

At the annual ordinary general meeting of AA Shares and A Shares, the Board submits our financial statements for the previous fiscal year to the holders of AA Shares and A Shares for approval. Once financial statements are approved, the allocation of our net profits is determined, and we must allocate 5.0% of such net profits to a legal reserve, which is not thereafter available for distribution except as a stock dividend, until the amount of the legal reserve equals 20.0% of our capital stock. The remainder of net profits is available for distribution.

All shares outstanding are entitled to participate in a dividend or other distribution. L shares are entitled to a nominal preference with respect to dividends or liquidation, but the preference has no economic significance.

Preemptive Rights

In new issuances of shares, each shareholder has a preferential right to subscribe for a sufficient number of shares of the same series to maintain its existing proportionate holdings, except in certain circumstances such as mergers, convertible debentures, public offers and placement of treasury or repurchased shares. These rights cannot be traded separately from the shares. As a result, there is no trading market for such rights.

Limitations on Share Ownership

AA Shares and A Shares may be owned only by holders that qualify as Mexican investors as defined in the Foreign Investment Law (*Ley de Inversión Extranjera*) and our bylaws. AA Shares can only be held or acquired by Mexican citizens, Mexican corporations whose capital stock is held completely by Mexican citizens or other Mexican qualified investors. Non-Mexican investors cannot hold AA Shares except through trusts that effectively neutralize their votes.

If a foreign government or state acquires our AA Shares, such shares would immediately be rendered without effect or value.

We have a foreign exclusion clause that restricts ownership of our shares to holders that qualify as Mexican investors. It does not apply to the L Shares, and, under transitional provisions adopted by our shareholders, it does not limit foreign ownership of A Shares outstanding as of the date of the shareholders' meeting approving the amendment.

Restrictions on Certain Transfers

Any transfer of 10.0% or more of our voting shares, in one or more transactions, by any person or group of persons acting in concert, requires prior approval by our Board. If the Board denies such approval, however, it shall designate an alternate transferee, who must pay market price for the shares as quoted on the Mexican Stock Exchange.

Restrictions on Deregistration in Mexico

Our shares are registered with the RNV maintained by the CNBV.

If we wish to cancel our registration, or if it is cancelled by the CNBV, we are required to conduct a public offer to purchase all of the outstanding shares prior to such cancellation. Such offer shall exclude our controlling group of shareholders. If, after the public offer is concluded, there are still outstanding shares held by the general public, we will be required to create a trust for a period of six months, with funds in an amount sufficient to purchase, at the same price as the offer price, the number of outstanding shares held by the public that did not participate in the offer.

Unless the CNBV authorizes otherwise, upon the prior approval of the Board, which must take into account the opinion of the Audit and Corporate Practices Committee, the offer price will be the higher of (i) the average of the closing price during the previous 30 days on which the shares may have been quoted or (ii) the book value of the shares in accordance with the most recent quarterly report submitted to the CNBV and to the Mexican Stock Exchange.

The voluntary cancellation of the registration will be subject to (i) the prior authorization of the CNBV and (ii) the authorization of not less than 95.0% of the outstanding capital stock in a general extraordinary shareholders' meeting.

Tender Offer Requirement

Certain significant acquisitions of our capital stock may require the purchaser to make a tender offer.

Other Provisions

EXCLUSIVE JURISDICTION. Our bylaws provide that legal actions relating to the execution, interpretation or performance of the bylaws shall be brought only in Mexican courts.

PURCHASE OF OUR OWN SHARES. We may repurchase our shares on the Mexican Stock Exchange at any time at the then-prevailing market price. Any such repurchase must conform to guidelines established by the Board, and the amount available to repurchase shares must be approved by the general ordinary shareholders' meeting. The economic and voting rights corresponding to repurchased shares may not be exercised during the period in which we own such shares, and such shares are not deemed to be outstanding for purposes of calculating any quorum or vote at any shareholders' meeting during such period.

CONFLICT OF INTEREST. A shareholder that votes on a business transaction in which its interest conflicts with our interests may be liable for damages, but only if the transaction would not have been approved without its vote.

WITHDRAWAL RIGHTS. Whenever a shareholders meeting approve a change of corporate purposes, change of nationality of the corporation or transformation from one type of company to another, any shareholder entitled to vote on such change that has voted against may withdraw and receive the book value of its shares, provided this right is exercised within 15 days following the meeting.

II. AMERICAN DEPOSITARY SHARES

Citibank, N.A. ("the Depositary") serves as the depositary for our ADSs and our American Depository Receipts ("ADR") program. ADS holders are required to pay various fees to the Depositary, and the Depositary may refuse to provide any service for which a fee is assessed until the applicable fee has been paid.

ADS holders are required to pay the Depositary amounts in respect of expenses incurred by the Depositary or its agents on behalf of ADS holders, including expenses arising from (i) taxes or other governmental charges, (ii) registration fees payable to us that may be applicable to the transfer of shares upon deposits to or withdrawals from the ADS program, (iii) cable, telex and facsimile transmission, (iv) conversion of foreign currency into U.S. dollars, (v) compliance with exchange control regulations and other regulatory requirements or (vi) servicing of the ADSs or the shares underlying ADSs. The Depositary may decide in its sole discretion to seek payment either by billing holders or by deducting the fee from one or more cash dividends or other cash distributions.

ADS holders are also required to pay additional fees for certain services provided by the Depositary, as set forth in the table below.

DEPOSITARY SERVICE	FEE PAYABLE BY ADS HOLDERS
Issuance and delivery of ADSs, including in connection with share distributions, purchase rights, sales and stock splits	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
Cash distributions	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
Surrender, withdrawal or cancellation	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
Share distributions other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares)	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
ADS services	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof) held on the applicable record date(s) established by the Depositary

Payments by the Depositary

The Depositary reimburses us for certain expenses we incur in connection with the ADR program, subject to a ceiling agreed between us and the Depositary from time to time. These reimbursable expenses currently include legal and accounting fees, listing fees, investor relations expenses and fees payable to service providers for the distribution of material to ADS holders. During the year ended December 31, 2019, the Depositary reimbursed us a total of U.S.$1.7 million for reimbursable expenses.

Shareholders' Meetings

A shareholder is required to deposit its shares with a custodian in order to attend a shareholders' meeting. A holder of ADSs will not be able to meet this requirement, and accordingly is not entitled to attend shareholders' meetings. A holder of ADSs is entitled to instruct the depositary as to how to vote the shares represented by ADSs, in accordance with procedures provided for in the deposit agreements. However, a holder of ADSs will not be able to vote its shares directly at a shareholders' meeting or to appoint a proxy to do so.

Preemptive Rights

In new issuances of shares, each shareholder has a preferential right to subscribe for a sufficient number of shares of the same series to maintain its existing proportionate holdings, except in certain circumstances such as mergers, convertible debentures, public offers and placement of treasury or repurchased shares. These rights cannot be traded separately from the shares. As a result, there is no trading market for such rights. Holders of ADSs may exercise these rights only through the depositary. We are not required to take steps that may be necessary to make this possible.

III. DEBT SECURITIES

Each series of notes listed on the New York Stock Exchange, as set forth on the cover page of América Móvil's annual report on Form 20-F for the fiscal year ended December 31, 2019, has been issued by América Móvil. Some series have also been guaranteed by a subsidiary, as set forth in the descriptions below. Each of these series of notes and related guarantees was issued under an indenture (each a "Base Indenture") and a supplemental indenture (each a "Supplemental Indenture").

The following table sets forth the general information of each relevant series of notes (the "Notes").

Section	Series	Date of Base Indenture	Date of Supplemental Indenture
A	6.375% Notes Due 2035 ("2035 Notes") 6.125% Notes due 2037 ("2037 Notes")	March 9, 2004 ("2004 Indenture")	February 25, 2005 ("2005 Supplemental Indenture") October 30, 2007 ("2007 Supplemental Indenture")
B	6.125% Senior Notes Due 2040 ("2040 Notes")	September 30, 2009 ("2009 Indenture")	March 30, 2010 ("2010 Supplemental Indenture")
C	3.125% Senior Notes Due 2022 ("2022 Notes") 4.375% Senior Notes Due 2042 ("2042 Notes")	June 28, 2012 ("2012 Indenture")	July 16, 2012 ("2012 Supplemental Indenture")
D	3.625% Senior Notes due 2029 ("2029 Notes") 4.375% Senior Notes Due 2049 ("2049 Notes")	October 1, 2018 ("2018 Indenture")	April 22, 2019 ("2019 Supplemental Indenture")

The summary set out below of the general terms and provisions of our debt securities does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the definitions and provisions of the relevant Indenture and the instrument representing each series of our Notes. Certain terms, unless otherwise defined here, have the meaning given to them in the relevant Indenture.

A. 2035 Notes and 2037 Notes

General

The 2035 Notes and the 2037 Notes constitute separate series of notes. The following discussion of the terms of the notes, including without limitation the discussions under "Optional Redemption", "Defaults, Remedies and Waiver of Defaults," "Modification and Waiver" and "Defeasance" below, applies to each series separately. References to "notes" and "debt securities" in this section III.A. are to the 2035 Notes and the 2037 Notes.

Indenture and Supplemental Indenture

The 2035 Notes were issued under the 2004 Indenture and the 2005 Supplemental Indenture. The 2037 Notes were issued under the 2004 Indenture and the 2007 Supplemental Indenture. The indentures are agreements among América Móvil, Radiomóvil Dipsa, S.A. de C.V ("Telcel"), as guarantor, and The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as trustee. References to the "indenture" in this section III.A. are to the 2004 Indenture as supplemented by the applicable Supplemental Indenture.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of holders of the notes against América Móvil if it defaults in respect of the notes and Telcel defaults in respect of the guarantees. There are some limitations on the extent to which the trustee acts on the holders' behalf, which are described under "Defaults, Remedies and Waiver of Defaults" below.
- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of the notes.

Principal and Interest

The original aggregate principal amount of the 2035 Notes is U.S.$1,000,000,000. The 2035 Notes will mature on March 1, 2035.

The 2035 Notes bear interest at a rate of 6 3/8% per year from February 25, 2005. Interest on the 2035 Notes is payable semi-annually on March 1 and September 1 of each year, to the holders in whose names the notes are registered at the close of business on the February 15 or August 15 immediately preceding the related interest payment date.

The original aggregate principal amount of the 2037 Notes is U.S.$400,000,000. The 2037 Notes will mature on November 15, 2037.

The 2037 Notes bear interest at a rate of 6.125% per year from October 30, 2007. Interest on the 2037 Notes is payable semi-annually on May 15 and November 15 of each year, to the holders in whose names the notes are registered at the close of business on the May 1 or November 1 immediately preceding the related interest payment date.

América Móvil pays interest on the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. América Móvil computes interest on the notes on the basis of a 360-day year of twelve 30-day months.

Subsidiary Guarantor

Telcel has irrevocably and unconditionally guaranteed the full and punctual payment of principal, premium, if any, interest, additional amounts and any other amounts that may become due and payable by América Móvil in respect of the notes. If América Móvil fails to pay any such amount, Telcel will immediately pay the amount that is due and required to be paid.

Ranking of the Notes and the Guarantees

América Móvil is a holding company and its principal assets are shares that it holds in its subsidiaries. The notes are not secured by any of its assets or properties. As a result, a holder of the notes is an unsecured creditor of América Móvil. The notes are not subordinated to any of América Móvil's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the notes would rank equally in right of payment with all its other unsecured and unsubordinated debt.

Telcel's guarantees of the notes are not secured by any of its assets or properties. As a result, if Telcel is required to pay under the guarantees, holders of the notes would be unsecured creditors of Telcel. The guarantees are not subordinated to any of Telcel's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against Telcel, the guarantees would rank equally in right of payment with all of Telcel's other unsecured and unsubordinated debt.

A creditor of Telcel, including a holder of the notes, which are guaranteed by Telcel, may face limitations under Mexican law in attempting to enforce a claim against Telcel's assets to the extent those assets are used in providing public service under Telcel's concessions.

Form and Denominations

The notes were issued only in registered form without coupons and in denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

Except in limited circumstances, the notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the notes, to issue additional notes of either series on terms and conditions identical to those of the original notes of that series, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the original notes of that series.

Payment of Additional Amounts

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to investors who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the notes all additional amounts that may be necessary so that every net payment of interest or principal to the holder will not be less than the amount provided for in the notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

América Móvil's obligation to pay additional amounts is, however, subject to several important exceptions. It will not pay additional amounts to any holder for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the debt security if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any taxes, duties, assessments or other governmental charges with respect to a debt security presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such debt security would have been entitled to such additional amounts on presenting such debt security for payment on any date during such 15-day period; and
- any payment on a debt security to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of such debt security.

The limitations on América Móvil's obligations to pay additional amounts described in the third bullet point above will not apply if the provision of information, documentation or other evidence described in the applicable bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a debt security, taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States/Mexico Income Tax Treaty), regulations (including proposed regulations) and administrative practice.

Applicable Mexican regulations currently allow América Móvil to withhold at a reduced rate, provided that it complies with certain information reporting requirements. Accordingly, the limitations on its obligations to pay additional amounts described in the third bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) it cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on its own through reasonable diligence, and (c) it otherwise would meet the requirements for application of the applicable Mexican regulations.

In addition, the limitation described in the third bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. It will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amount. It will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request.

Any reference in the indenture or the debt securities or guarantees to principal, premium, if any, interest or any other amount payable in respect of the debt securities by América Móvil will be deemed also to refer to any additional amount that may be payable with respect to that amount under the obligations referred to in this subsection.

In the event that additional amounts actually paid with respect to the debt securities pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such debt securities, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such debt securities, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to América Móvil. However, by making such assignment, the holder makes no representation or warranty that América Móvil will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Optional Redemption

América Móvil will not be permitted to redeem the notes before their stated maturity, except as set forth below. The notes will not be entitled to the benefit of any sinking fund—meaning that we will not deposit money on a regular basis into any separate account to repay holders' notes. In addition, holders will not be entitled to require América Móvil to repurchase their notes from them before the stated maturity.

Optional Redemption With "Make-Whole" Amount

América Móvil will have the right at its option to redeem any of the notes in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of such notes and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points in the case of the 2035 Notes and 25 basis points in the case of the 2037 Notes (the "Make-Whole Amount"), plus in each case accrued interest on the principal amount of the notes to the date of redemption.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means (i) in the case of the 2035 Notes, Credit Suisse First Boston LLC , or its respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil and (ii) in the case of the 2037 Notes, Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., or their respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 pm New York time on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless América Móvil defaults in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the notes to be redeemed on such date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Redemption for Taxation Reasons

América Móvil will have the right to redeem the notes upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional amounts on the notes in respect of withholding taxes at a rate in excess of 10% for the 2035 Notes and 4.9% for the 2037 Notes, in which case we may redeem the notes in whole but not in part, at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the notes plus accrued interest to the redemption date and any additional amounts due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay these additional amounts if a payment on the debt securities of such series were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

Prior to the publication of any notice of redemption for taxation reasons, América Móvil will deliver to the trustee:

- a certificate signed by one of our duly authorized representatives stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right of redemption for taxation reasons have occurred; and
- an opinion of Mexican legal counsel (which may be América Móvil's counsel) of recognized standing to the effect that it has or will become obligated to pay such additional amounts as a result of such change or amendment.

This notice, after it is delivered by América Móvil to the trustee, will be irrevocable.

Merger, Consolidation or Sale of Assets

América Móvil may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless all of the following conditions are met:

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to any series of debt securities if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults" below; and
- América Móvil has delivered to the trustee an officers' certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

If the conditions described above are satisfied, América Móvil will not have to obtain the approval of the holders in order to merge or consolidate or to sell or otherwise dispose of its properties and assets substantially as an entirety. In addition, these conditions will apply only if it wishes to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets and properties. América Móvil will not need to satisfy these conditions if it enters into other types of transactions, including any transaction in which it acquires the stock or assets of another person, any transaction that involves a change of control of the company, but in which it does not merge or consolidate, and any transaction in which it sells or otherwise disposes of less than substantially all its assets.

Telcel may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless substantially the same conditions set forth above are satisfied with respect to Telcel.

Covenants

The following covenants will apply to América Móvil and certain of its subsidiaries for so long as any debt security remains outstanding. These covenants restrict its ability and the ability of its subsidiaries to enter into certain transactions. However, these covenants do not limit its ability to incur indebtedness or require it to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on its restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of its restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of its Consolidated Net Tangible Assets unless it secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

- liens on restricted property acquired and existing on the date the property was acquired or arising after such acquisition pursuant to contractual commitments entered into prior to such acquisition;
- liens on any restricted property securing debt incurred or assumed for the purpose of financing its purchase price or the cost of its construction, improvement or repair, *provided* that such lien attaches to the restricted property within 12 months of its acquisition or the completion of its construction, improvement or repair and does not attach to any other restricted property;
- liens existing on any restricted property of any restricted subsidiary prior to the time that the restricted subsidiary became a subsidiary of América Móvil or liens arising after that time under contractual commitments entered into prior to and not in contemplation of that event;
- liens on any restricted property securing debt owed by a subsidiary of América Móvil to América Móvil or to another of its subsidiaries; and
- liens arising out of the refinancing, extension, renewal or refunding of any debt described above, provided that the aggregate principal amount of such debt is not increased and such lien does not extend to any additional restricted property.

"Consolidated Net Tangible Assets" means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on our most recent consolidated balance sheet and computed in accordance with Mexican GAAP.

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or its restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means América Móvil's subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the debt securities will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the debt securities (excluding any secured indebtedness permitted under "Limitation on Liens" above) plus the aggregate amount of our attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of its Consolidated Net Tangible Assets; or

- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the debt securities in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

Notwithstanding the foregoing, América Móvil and/or its restricted subsidiaries may enter into sale and leaseback transactions during 2004 in respect of which attributable debt is not in excess of U.S.$300 million in the aggregate, and additional sale and leaseback transactions that solely refinance, extend, renew or refund such sale and leaseback transactions, and (a) the restriction described in the preceding paragraph shall not apply to such sale and leaseback transactions and (b) such transactions shall be excluded in determining the aggregate amount of its attributable debt and the attributable debt of our restricted subsidiaries for purposes of the preceding paragraph and also for purposes of the covenant described under "Limitation on Liens" described above.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where it or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by it or its restricted subsidiary to that lender or investor for a sale price of U.S.$1 million or its equivalent or more.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with Mexican generally accepted accounting principles, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease.

Limitation on Sale of Capital Stock of Telcel

América Móvil may not, and América Móvil may not allow any of our subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition it would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that it is required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, including its annual reports on Form 20-F and reports on Form 6-K. In addition, América Móvil will make the same information, documents and other reports available, at its expense, to holders who so request in writing. In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Securities Exchange Act, it will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that it would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If any of América Móvil's officers becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, América Móvil will also file a certificate with the trustee describing the details thereof and the action we are taking or propose to take.

Defaults, Remedies and Waiver of Defaults

Holders have special rights if an event of default with respect to the notes they hold occurs and is not cured, as described below.

Events of Default

Each of the following will be an "event of default" with respect to any series of debt securities:

- América Móvil or Telcel fail to pay the principal of any debt securities of that series on its due date;
- América Móvil or Telcel fail to pay interest on any debt securities of that series within 30 days after its due date;
- América Móvil or Telcel remain in breach of any covenant in the indenture for the benefit of holders of that series of debt securities, for 60 days after América Móvil receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the series of debt securities) stating that it is in breach;
- América Móvil or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to América Móvil or Telcel;
- América Móvil or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$25 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil or Telcel in an aggregate amount in excess of U.S.$25 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- the guarantee of the debt securities of that series is held in a final judgment to be unenforceable or invalid or ceases for any reason to be in full force and effect, or Telcel, or any person acting on behalf of Telcel, denies or disaffirms its obligations under the guarantees of the debt securities.

Remedies Upon Event of Default

If an event of default with respect to any series of debt securities occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of that series of debt securities, may declare the entire principal amount of all the debt securities of that series to be due and payable immediately, and upon any such declaration the principal, any accrued interest and any additional amounts shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to América Móvil or Telcel, the entire principal amount of all the debt securities and any accrued interest and any additional amounts will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional amounts will become immediately due and payable.

Each of the situations described above is called an acceleration of the maturity of the debt securities. If the maturity of any series of the debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of that series of debt securities may cancel the acceleration for all the debt securities of that series, provided that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to that series of debt securities have been cured or waived.

If any event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection, known as an indemnity, from expenses and liability. If the trustee receives an indemnity that is reasonably satisfactory to it, the holders of a majority in principal amount of a series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the debt securities.

Before holders bypass the trustee and bring their own lawsuit or other formal legal action or take other steps to enforce their rights or protect their interests relating to the debt securities of any series, the following must occur:

- they must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of debt securities of that series must make a written request that the trustee take action with respect to that series because of the default and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and

- during those 60 days, the holders of a majority in principal amount of debt securities of that series must not have given the trustee for such series directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of debt securities of that series.

Holders of the notes are entitled, however, at any time to bring a lawsuit for the payment of money due on their debt security on or after its due date.

Book-entry and other indirect holders should consult their bank or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity.

Waiver of Default

The holders of not less than a majority in principal amount of the debt securities of any series may waive a past default for all the debt securities of that series. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any debt security, however, without the approval of the particular holder of that debt security.

Modification and Waiver

There are three types of changes América Móvil can make to the indenture, the outstanding debt securities under the indenture and guarantees thereof.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

- a change in the stated maturity of any principal or interest payment on a debt security;
- a reduction in the principal amount, the interest rate or the redemption price for a debt security;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on a debt security other than as permitted by the debt security;
- a change in the place of any payment on a debt security;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;
- a change in the terms and conditions of the obligations of the guarantor under the guarantees to make due and punctual payment of the principal, premium, if any, or interest in respect of the outstanding debt securities under the indenture;
- a reduction in the percentage in principal amount of the debt securities needed to change the indenture, the outstanding debt securities under the indenture or guarantees thereof; and

- a reduction in the percentage in principal amount of the debt securities needed to waive our compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding debt securities under the indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture, the debt securities or the guarantees will be required to be approved by the holders of a majority in principal amount of each series of debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. Its covenants include the promises it makes about merging and creating liens on our interests, which are described under "Merger, Consolidation or Sale of Assets" and "Covenants" above. If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or guarantee, or the indenture, as it affects that debt security, that América Móvil cannot change without the approval of the holder of that debt security as described under "Changes Requiring Each Holder's Approval" above, unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its or Telcel's obligations with respect to a series of debt securities and the related guarantees ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities of that series, the replacement of mutilated, destroyed, lost or stolen debt securities of that series and the maintenance of agencies with respect to the debt securities of that series or (2) América Móvil's or Telcel's obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of debt securities of that series. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee money or U.S. government obligations, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the debt securities of that series then outstanding on the maturity date of the debt securities of that series, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to any debt securities of a series, it must so elect it with respect to all of the debt securities of that series.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if we have deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

For interest due on a debt security on an interest payment date, América Móvil will pay the interest to the holder in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the debt security. For principal due on a debt security at maturity, América Móvil will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment. América Móvil will compute interest on debt securities bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

Payments on Global Debt Securities. For debt securities issued in global form, América Móvil will make payments on the debt securities in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, América Móvil will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities. For debt securities issued in certificated form, América Móvil will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and América Móvil will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City.

Payment When Offices Are Closed

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

"Business day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City or Mexico City generally are authorized or obligated by law, regulation or executive order to close and a day on which banks and financial institutions in Mexico are open for business with the general public.

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as our paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time, *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, it will maintain a paying agent in New York City. América Móvil may also choose to act as its own paying agent. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as a paying agent. América Móvil must notify holders of the notes of changes in the paying agents as described under "Notices" below.

Unclaimed Payments

All money paid by América Móvil to a paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to América Móvil. After that two-year period, the holder may look only to América Móvil for payment and not to the trustee, any other paying agent or anyone else.

Governing Law

The indenture, the debt securities and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities, the guarantees or the indenture (subject to the exceptions described below), América Móvil and the guarantor have each:

- submitted to the jurisdiction of any New York state or U.S. federal court sitting in New York City, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of the place of residence or domicile of we or the guarantor; and
- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America as process agent.

The process agent will receive, on behalf of each of América Móvil and the guarantor, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil or the guarantor, as the case may be, at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against either América Móvil or the guarantor or América Móvil or its properties in other courts where jurisdiction is independently established.

To the extent that either we or the guarantor has or hereafter may acquire or have attributed to América Móvil or the guarantor any sovereign or other immunity under any law, each of América Móvil and the guarantor has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities.

Currency Indemnity

América Móvil's obligations and the obligations of the guarantor under the debt securities and the guarantees, respectively, will be discharged only to the extent that the relevant holder is able to purchase U.S. dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. dollars in the amount originally to be paid, we and the guarantor have agreed to pay the difference. The holder, however, agrees that, if the amount of U.S. dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil or the guarantor, as the case may be. The holder will not be obligated to make this reimbursement if we or the guarantor are in default of our or its obligations under the debt securities or the guarantees.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any notes in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate office in New York City, as transfer agent. América Móvil may also choose to act as its own transfer agent. América Móvil must notify holders of the notes of changes in the transfer agents as described under "Notices" below. If it issues notes in certificated form, holders of notes in certificated form will be able to transfer their notes, in whole or in part, by surrendering the notes, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City, The Bank of New York. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as América Móvil issues notes in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If it issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

B. 2040 Notes

General

Indenture and Supplemental Indenture

The 2040 Notes were issued under the 2009 Indenture and the 2010 Supplemental Indenture, as supplemented by an additional notes supplement. The indenture is an agreement among América Móvil, Telcel, as guarantor, and The Bank of New York Mellon, as trustee. References to the "indenture" in this section III.B are to the 2009 Indenture as supplemented by the 2010 Supplemental Indenture and the additional notes supplement.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of the holders of the 2040 Notes against América Móvil, if it defaults in respect of the 2040 Notes and Telcel defaults in respect of the guarantees.

- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of notes.

Principal and Interest

The aggregate principal amount of the 2040 Notes is U.S.$2,000,000,000. The 2040 Notes will mature on March 30, 2040 and bear interest at a rate of 6.125% per year from March 30, 2010.

Interest on the 2040 Notes is payable on March 30 and September 30 of each year, to the holders in whose names the 2040 Notes were registered at the close of business on March 15 or September 15 immediately preceding the related interest payment date.

América Móvil will pay interest on the 2040 Notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. América Móvil computes interest on the 2040 Notes on the basis of a 360-day year consisting of twelve 30-day months.

Subsidiary Guarantor

Telcel has irrevocably and unconditionally guaranteed the full and punctual payment of principal, premium, if any, interest, additional amounts and any other amounts that may become due and payable by América Móvil in respect of the 2040 Notes. If América Móvil fails to pay any such amount, Telcel will immediately pay the amount that is due and required to be paid.

Ranking of the Notes and the Guarantees

América Móvil is a holding company, and its principal assets are shares that it holds in its subsidiaries. The 2040 Notes are not secured by any of its assets or properties. As a result, by owning the 2040 Notes, the holders of the 2040 Notes will be one of our unsecured creditors. The 2040 Notes are not be subordinated to any of our other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the 2040 Notes would rank equally in right of payment with all our other unsecured and unsubordinated debt.

Telcel's guarantees of the 2040 Notes are not secured by any of its assets or properties. As a result, if Telcel is required to pay under the guarantees, holders of the 2040 Notes would be unsecured creditors of Telcel. The guarantees are not subordinated to any of Telcel's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against Telcel, the guarantees would rank equally in right of payment with all of Telcel's other unsecured and unsubordinated debt.

A creditor of Telcel, including a holder of the 2040 Notes, which are guaranteed by Telcel, may face limitations under Mexican law in attempting to enforce a claim against Telcel's assets to the extent those assets are used in providing public service under Telcel's concessions.

Form and Denominations

The 2040 Notes will were issued only in registered form without coupons and in minimum denominations of U.S.$100,000 and integral multiples of U.S.$1,000 in excess thereof.

Except in limited circumstances, the 2040 Notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the 2040 Notes, to issue additional notes of a series on terms and conditions identical to the 2040 Notes, which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the 2040 Notes.

Payment of Additional Amounts

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to investors who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the 2040 Notes all additional amounts that may be necessary so that every net payment of interest or principal or premium, if any, to the holder will not be less than the amount provided for in the 2040 Notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

América Móvil's obligation to pay additional amounts is, however, subject to several important exceptions. América Móvil will not pay additional amounts to any holder for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the 2040 Notes;
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the 2040 Notes if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;

- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any taxes, duties, assessments or other governmental charges with respect to the 2040 Notes presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such 2040 Notes would have been entitled to such additional amounts on presenting such notes for payment on any date during such 15-day period; and
- any payment on the 2040 Notes to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of such note.

The limitations on América Móvil's obligations to pay additional amounts described in the third bullet point above will not apply if the provision of information, documentation or other evidence described in the applicable bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a note, taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States/Mexico Income Tax Treaty), regulations (including proposed regulations) and administrative practice.

Applicable Mexican regulations currently allow América Móvil to withhold at a reduced rate, provided that América Móvil complies with certain information reporting requirements. Accordingly, the limitations on América Móvil's obligations to pay additional amounts described in the third bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) América Móvil cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on its own through reasonable diligence and (c) América Móvil otherwise would meet the requirements for application of the applicable Mexican regulations.

In addition, the limitation described in the third bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. América Móvil will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amount. América Móvil will provide copies of such documentation to the holders of the 2040 Notes or the paying agent upon request.

Any reference in the indenture, the 2040 Notes or the guarantees to principal, premium, if any, interest or any other amount payable in respect of the 2040 Notes by América Móvil will be deemed also to refer to any additional amount that may be payable with respect to that amount under the obligations referred to in this subsection.

In the event that additional amounts actually paid with respect to the 2040 Notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such notes, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to América Móvil. However, by making such assignment, the holder makes no representation or warranty that we will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Optional Redemption

América Móvil will not be permitted to redeem the 2040 Notes before their stated maturity, except as set forth below. The 2040 Notes will not be entitled to the benefit of any sinking fund (meaning that América Móvil will not deposit money on a regular basis into any separate account to repay the 2040 Notes). In addition, the holders of the 2040 Notes will not be entitled to require América Móvil to repurchase their notes before the stated maturity.

Optional Redemption With "Make-Whole" Amount

América Móvil will have the right at its option to redeem the 2040 Notes in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2040 Notes to be redeemed and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points (the "Make-Whole Amount"), plus accrued interest on the principal amount of the 2040 Notes being redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the 2040 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means Citigroup Global Markets, Inc., Goldman, Sachs & Co. and J.P. Morgan Securities LLC, or, their respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 pm (New York City time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the 2040 Notes or any portion of the 2040 Notes called for redemption (unless América Móvil defaults in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the 2040 Notes to be redeemed on such date. If less than all of the 2040 Notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Tax Redemption

América Móvil will have the right to redeem the 2040 Notes upon the occurrence of certain changes in the tax laws of Mexico as a result of which América Móvil becomes obligated to pay additional amounts on the 2040 Notes in respect of withholding taxes at a rate in excess of 4.9%, in which case América Móvil may redeem the 2040 Notes, in whole but not in part, at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the 2040 Notes, plus accrued interest to the redemption date and any additional amounts due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay these additional amounts if a payment on the debt securities were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

Merger, Consolidation or Sale of Assets

América Móvil may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into them, unless all of the following conditions are met:

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the 2040 Notes and the indenture;
- immediately after the transaction, no default under the 2040 Notes has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to the 2040 Notes if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults" below; and
- América Móvil has delivered to the trustee an officers' certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

If the conditions described above are satisfied, América Móvil will not have to obtain the approval of the holders in order to merge or consolidate or to sell or otherwise dispose of its properties and assets substantially as an entirety. In addition, these conditions will apply only if América Móvil wishes to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets and properties. América Móvil will not need to satisfy these conditions if it enters into other types of transactions, including any transaction in which it acquires the stock or assets of another person, any transaction that involves a change of control of the company, but in which it does not merge or consolidate, and any transaction in which it sells or otherwise disposes of less than substantially all its assets.

Telcel may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless substantially the same conditions set forth above are satisfied with respect to Telcel.

Covenants

The following covenants will apply to América Móvil and certain of its subsidiaries for so long as the 2040 Notes remain outstanding. These covenants restrict América Móvil's ability and the ability of its subsidiaries to enter into certain transactions. However, these covenants do not limit América Móvil's ability to incur indebtedness or require América Móvil to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on its restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of its restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of its Consolidated Net Tangible Assets unless América Móvil secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

- liens on restricted property acquired and existing on the date the property was acquired or arising after such acquisition pursuant to contractual commitments entered into prior to such acquisition;
- liens on any restricted property securing debt incurred or assumed for the purpose of financing its purchase price or the cost of its construction, improvement or repair, *provided* that such lien attaches to the restricted property within 12 months of its acquisition or the completion of its construction, improvement or repair and does not attach to any other restricted property;
- liens existing on any restricted property of any restricted subsidiary prior to the time that the restricted subsidiary became a subsidiary of América Móvil or liens arising after that time under contractual commitments entered into prior to and not in contemplation of that event;
- liens on any restricted property securing debt owed by a subsidiary of América Móvil to América Móvil or to another of its subsidiaries; and
- liens arising out of the refinancing, extension, renewal or refunding of any debt described above, provided that the aggregate principal amount of such debt is not increased and such lien does not extend to any additional restricted property.

"Consolidated Net Tangible Assets" means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on our most recent consolidated balance sheet and computed in accordance with generally accepted accounting principles in Mexico.

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the 2009 Indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or our restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means América Móvil's subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the 2040 Notes will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the 2040 Notes (excluding any secured indebtedness permitted under "Limitation on Liens" above) plus the aggregate amount of América Móvil's attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of its Consolidated Net Tangible Assets; or

- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the 2040 Notes in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where América Móvil or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by América Móvil or its restricted subsidiary to that lender or investor for a sale price of U.S.$1 million or its equivalent or more.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with Mexican generally accepted accounting principles, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease.

Limitation on Sale of Capital Stock of Telcel

América Móvil may not, and América Móvil may not allow any of its subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition América Móvil would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that it is are required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, including our annual reports on Form 20-F and reports on Form 6-K, within 15 days after we file them with the SEC. In addition, América Móvil will make the same information, documents and other reports available, at its expense, to holders who so request in writing.

In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Securities Exchange Act, América Móvil will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that América Móvil would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If any of América Móvil's officers becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, América Móvil will also file a certificate with the trustee describing the details thereof and the action it is taking or propose to take.

Defaults, Remedies and Waiver of Defaults

A Holder of the 2040 Notes will have special rights if an event of default with respect to the 2040 Notes it holds occurs and is not cured, as described below.

Events of Default

Each of the following will be an "event of default" with respect to the 2040 Notes:

- América Móvil or Telcel fail to pay the principal of the 2040 Notes on its due date;
- América Móvil or Telcel fail to pay interest on the 2040 Notes within 30 days after its due date;
- América Móvil or Telcel remain in breach of any covenant in the indenture for the benefit of holders of the 2040 Notes, for 60 days after América Móvil receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the 2040 Notes) stating that it is in breach;
- América Móvil or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to América Móvil or Telcel;
- América Móvil or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$25 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil or Telcel in an aggregate amount in excess of U.S.$25 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- the guarantee of the 2040 Notes is held in a final judgment proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or Telcel, or any person acting on behalf of Telcel, denies or disaffirms its obligations under the guarantees of the 2040 Notes.

Remedies Upon Event of Default

If an event of default with respect to the 2040 Notes occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of the 2040 Notes, may declare the entire principal amount of all the 2040 Notes to be due and payable immediately, and upon any such declaration the principal, any accrued interest and any additional amounts shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to América Móvil or Telcel, the entire principal amount of all the 2040 Notes and any accrued interest and any additional amounts will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional amounts will become immediately due and payable.

Each of the situations described in the preceding paragraph is called an acceleration of the maturity of the 2040 Notes. If the maturity of the 2040 Notes is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the 2040 Notes may cancel the acceleration for all the 2040 Notes, provided that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to the 2040 Notes have been cured or waived.

If any event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection, known as an indemnity, from expenses and liability. If the trustee receives an indemnity that is reasonably satisfactory to it, the holders of a majority in principal amount of the 2040 Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the 2040 Notes.

Before any holder of the 2040 Notes bypasses the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the 2040 Notes, the following must occur:

- holders of the 2040 Notes must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of the 2040 Notes must make a written request that the trustee take action with respect to the 2040 Notes because of the default and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and
- during those 60 days, the holders of a majority in principal amount of the 2040 Notes must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the 2040 Notes.

Holders of the 2040 Notes will be entitled, however, at any time to bring a lawsuit for the payment of money due on the 2040 Notes on or after its due date.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity.

Waiver of Default

The holders of not less than a majority in principal amount of the 2040 Notes may waive a past default for all the 2040 Notes. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any debt security, however, without the approval of the particular holder of that debt security.

Modification and Waiver

There are three types of changes América Móvil can make to the indenture, the outstanding 2040 Notes and guarantees thereof.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of a 2040 Note affected by the change:

- a change in the stated maturity of any principal or interest payment on the 2040 Notes;
- a reduction in the principal amount, the interest rate or the redemption price of the 2040 Notes;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on the 2040 Notes other than as permitted by the 2040 Notes;
- a change in the place of any payment on the 2040 Notes;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;
- a change in the terms and conditions of the obligations of the guarantor under the guarantees to make due and punctual payment of the principal, premium, if any, or interest in respect of the outstanding 2040 Notes;
- a reduction in the percentage in principal amount of the 2040 Notes needed to change the indenture, the outstanding 2040 Notes or guarantees thereof; and
- a reduction in the percentage in principal amount of the 2040 Notes needed to waive América Móvil's compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of the 2040 Notes. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding 2040 Notes under the indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture, the 2040 Notes or the guarantees will be required to be approved by the holders of a majority in principal amount of each series of debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. América Móvil's covenants include the promises it makes about merging and creating liens on its interests, which is described under "Merger, Consolidation or Sale of Assets" and "Covenants". If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or guarantee, or the indenture, as it affects that debt security, that it cannot change without the approval of the holder of that debt security as described under in "Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if América Móvil seeks to change the indenture or the 2040 Notes or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its or Telcel's obligations with respect to the 2040 Notes and the related guarantees ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the 2040 Notes, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities or (2) América Móvil's or Telcel's obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of the 2040 Notes. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee money or U.S. government obligations, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the 2040 Notes then outstanding on the maturity date of the 2040 Notes, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to the 2040 Notes, América Móvil must so elect it with respect to all of the 2040 Notes.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding 2040 Notes will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if we have deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that América Móvil specifies for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

For interest due on the 2040 Notes on an interest payment date, América Móvil will pay the interest to the holder in whose name the note is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the note. For principal due on a note at maturity, we will pay the amount to the holder of the note against surrender of the note at the proper place of payment.

América Móvil will compute interest on the 2040 Notes bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

Payments on Global Debt Securities. América Móvil will make payments on the 2040 Notes in accordance with the applicable policies of the depositary. Under those policies, América Móvil will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities. For debt securities issued in certificated form, América Móvil will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and we will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City.

Payment When Offices Are Closed

If any payment is due on the 2040 Notes on a day that is not a business day, América Móvil will make the payment on the day that is the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the 2040 Notes, guarantees or the indenture, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

"Business day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is (a) not a day on which banking institutions in New York City or Mexico City generally are authorized or obligated by law, regulation or executive order to close and (b) a day on which banks and financial institutions in Mexico are open for business with the general public.

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as its paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time, *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, América Móvil will maintain a paying agent in New York City. América Móvil may choose to act as its own paying agent. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as a paying agent. América Móvil must notify the holders of the 2040 Notes of changes in the paying agents as described under "Notices" below.

Unclaimed Payments

All money paid by América Móvil to a paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to América Móvil. After that two-year period, the holder may look only to América Móvil for payment and not to the trustee, any other paying agent or anyone else.

Governing Law

The indenture, the 2040 Notes and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the 2040 Notes, the guarantees or the indenture (subject to the exceptions described below), América Móvil and Telcel have each:

- submitted to the jurisdiction of any New York state or U.S. federal court sitting in New York City, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of the place of residence or domicile of we or the guarantor; and
- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on behalf of each of América Móvil and Telcel, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil or Telcel, as the case may be, at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against either América Móvil or the guarantor or our or its properties in other courts where jurisdiction is independently established.

To the extent that either América Móvil or Telcel have or hereafter may acquire or have attributed to América Móvil or Telcel any sovereign or other immunity under any law, each of América Móvil and Telcel has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the 2040 Notes.

Currency Indemnity

América Móvil's obligations and the obligations of the guarantor under the 2040 Notes and the guarantees, respectively, will be discharged only to the extent that the relevant holder is able to purchase U.S. dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. dollars in the amount originally to be paid, América Móvil and the guarantor have agreed to pay the difference. The holder, however, agreed that, if the amount of U.S. dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil or the guarantor, as the case may be. The holder will not be obligated to make this reimbursement if América Móvil or the guarantor are in default of its obligations under the 2040 Notes or the guarantees.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate office in New York City, as transfer agent. América Móvil may also choose to act as our its own transfer agent. América Móvil must notify holders of the 2040 Notes of changes in the transfer agent as described under "Notices" below. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as we issue notes in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If América Móvil issues debt securities in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

C. 2022 Notes and 2042 Notes

General

The 2022 Notes and the 2042 Notes constitute separate series of notes. The following discussion of the terms of the notes, including without limitation the discussions under "Optional Redemption", "Defaults, Remedies and Waiver of Defaults," "Modification and Waiver" and "Defeasance" below, applies to each series separately. References to "notes" and "debt securities" in this section III.C are to the 2022 Notes and the 2042 Notes.

Indenture and Supplemental Indenture

The 2022 Notes and the 2042 Notes were issued under the 2012 Indenture and the 2012 Supplemental Indentures, as supplemented by additional notes supplements. References to the "indenture" in this section III.C are to the 2012 Indenture as supplemented by the applicable supplemental indenture and additional notes supplement. The indenture is an agreement between América Móvil and The Bank of New York Mellon, as trustee.

Neither the 2022 Notes nor the 2042 Notes are guaranteed by any of América Móvil's subsidiaries.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of the holder of the notes against América Móvil if it defaults in respect of the notes. There are some limitations on the extent to which the trustee acts on its behalf, which are described under "Defaults, Remedies and Waiver of Defaults".
- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of notes.

Principal and Interest

The original aggregate principal amount of the 2022 Notes is U.S.$1,600,000,000. The 2022 notes will mature on July 16, 2022 and bear interest at a rate of 3.125% per year from July 16, 2012.

The original aggregate principal amount of the 2042 Notes is U.S.$1,150,000,000. The 2042 Notes will mature on July 16, 2042 and bear interest at a rate of 4.375% per year from July 16, 2012.

Interest on each series of notes is payable on January 16 and July 16 of each year, to the holders in whose names the notes are registered at the close of business on January 1 or July 1 immediately preceding the related interest payment date. Purchasers of each series of notes will be entitled to receive the full amount of the first interest payment on January 16, 2013.

América Móvil pays interest on the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. América Móvil computes interest on the notes on the basis of a 360-day year consisting of twelve 30-day months.

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

"Business day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is (a) not a day on which banking institutions in New York City or Mexico City generally are authorized or obligated by law, regulation or executive order to close and (b) a day on which banks and financial institutions in Mexico are open for business with the general public.

Ranking of the Notes

América Móvil is a holding company, and its principal assets are shares that it holds in its subsidiaries. The notes will not be secured by any of its assets or properties. As a result, by owning the notes, the holder is one of América Móvil's unsecured creditors. The notes are not subordinated to any of América Móvil's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the notes would rank equally in right of payment with all of América Móvil's other unsecured and unsubordinated debt.

Claims of creditors of América Móvil's subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of its subsidiaries. All of América Móvil's outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by Telcel. Accordingly, the holders of those outstanding debt securities will have priority over the holders of the notes with respect to claims to the assets of Telcel.

Form and Denominations

The notes of each series were issued only in registered form without coupons in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Except in limited circumstances, the notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the notes of either series, to issue additional notes of a series on terms and conditions identical to those of the notes of that series (except for issue date, issue price and the date from which interest will accrue and, if applicable, first to be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with the notes of that series.

Payment of Additional Amounts

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to investors who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the notes all additional amounts that may be necessary so that every net payment of interest or principal or premium, if any, to the holder will not be less than the amount provided for in the notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

América Móvil's obligation to pay additional amounts is, however, subject to several important exceptions. América Móvil will not pay additional amounts to or on behalf of any holder or beneficial owner, or to the trustee, for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the debt security if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 calendar days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- any taxes, duties, assessments or other governmental charges with respect to a debt security presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such debt security would have been entitled to such additional amounts on presenting such debt security for payment on any date during such 15-day period;
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any payment on a debt security to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of such debt security;

- any taxes, duties, assessments or other governmental charges that are imposed on a payment to an individual and are required to be made pursuant to European Council Directive 2003/48/EC on the
- taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000, December 13, 2001, and January 21, 2003, or any law or agreement implementing or complying with, or introduced in order to conform to, such a directive; and
- any combination of the items in the bullet points above.

The limitations on América Móvil's obligations to pay additional amounts described in the second bullet point above will not apply if the provision of information, documentation or other evidence described in the applicable bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a debt security, taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States/Mexico Income Tax Treaty), regulations (including proposed regulations) and administrative practice.

Applicable Mexican regulations currently allow América Móvil to withhold at a reduced rate, provided that it complies with certain information reporting requirements. Accordingly, the limitations on our obligations to pay additional amounts described in the second bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) América Móvil cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on its own through reasonable diligence and (c) América Móvil otherwise would meet the requirements for application of the applicable Mexican regulations.

In addition, the limitation described in the second bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. América Móvil will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amounts. América Móvil will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request.

In the event that additional amounts actually paid with respect to the debt securities pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such debt securities, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such debt securities, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to América Móvil. However, by making such assignment, the holder makes no representation or warranty that América Móvil will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Any reference to the indenture or the debt securities to principal, premium, if any, interest or any other amount payable in respect of the debt securities by América Móvil will be deemed also to refer to any additional amounts that may be payable with respect to that amount under the obligations referred to in this subsection.

Optional Redemption

América Móvil is not permitted to redeem the notes before their stated maturity, except as set forth below. The notes will not be entitled to the benefit of any sinking fund (meaning that we will not deposit money on a regular basis into any separate account to repay your notes). In addition, the holders of the notes will not be entitled to require América Móvil to repurchase their notes from them before the stated maturity.

Optional Redemption With "Make-Whole" Amount

América Móvil will have the right at its option to redeem either series of notes in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points (in the case of the 2022 Notes) or 30 basis points (in the case of the 2042 Notes) (the "make-whole" amount), plus in each case accrued interest on the principal amount of the notes being redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such series of notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means each of Goldman, Sachs & Co. and Morgan Stanley & Co. LLC or their respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 pm (New York City time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless América Móvil defaults in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the notes to be redeemed on such date. If less than all of the notes of either series are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate or in accordance with the applicable procedures of DTC.

Tax Redemption

América Móvil will have the right to redeem the notes of either series upon the occurrence of certain changes in the tax laws of Mexico as a result of which América Móvil becomes obligated to pay additional amounts on the notes of that series in respect of withholding taxes at a rate in excess of 4.9%, in which case América Móvil may redeem the notes of that series, in whole but not in part at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued interest to the redemption date and any premium applicable in the case of a redemption prior to maturity and any additional amounts due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay these additional amounts if a payment on the debt securities were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

Prior to the publication of any notice of redemption for taxation reasons, América Móvil will deliver to the trustee:

- a certificate signed by one of our duly authorized representatives stating that América Móvil is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to its right of redemption for taxation reasons have occurred; and
- an opinion of Mexican legal counsel (which may be América Móvil's counsel) of recognized standing to the effect that América Móvil have or will become obligated to pay such additional amounts as a result of such change or amendment.

This notice, after it is delivered to the holders, will be irrevocable.

Merger, Consolidation or Sale of Assets

América Móvil may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into América Móvil, unless all of the following conditions are met:

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes its obligations under the debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to the debt securities if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults"; and
- América Móvil has delivered to the trustee an officer's certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

If the conditions described above are satisfied, América Móvil will not have to obtain the approval of the holders in order to merge or consolidate or to sell or otherwise dispose of its properties and assets substantially as an entirety. In addition, these conditions will apply only if América Móvil wishes to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets and properties. América Móvil will not need to satisfy these conditions if it enters into other types of transactions, including any transaction in which it acquires the stock or assets of another person, any transaction that involves a change of control of the company, but in which América Móvil does not merge or consolidate, and any transaction in which it sells or otherwise dispose of less than substantially all of its assets.

Covenants

Holders of the notes will benefit from the following covenants contained in the indenture and affecting América Móvil's ability to incur liens to secure debt, enter into sale and leaseback transactions, sell shares of capital stock of Telcel, merge or consolidate with other entities and take other specified actions, as well as requiring América Móvil to provide certain reports or information to holders of notes.

Limitation on Liens

América Móvil may not, and we may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on our restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of our restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of its Consolidated Net Tangible Assets unless it secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

- liens on restricted property acquired and existing on the date the property was acquired or arising after such acquisition pursuant to contractual commitments entered into prior to such acquisition;
- liens on any restricted property securing debt incurred or assumed for the purpose of financing its purchase price or the cost of its construction, improvement or repair; *provided* that such lien attaches to the restricted property within 12 months of its acquisition or the completion of its construction, improvement or repair and does not attach to any other restricted property;
- liens existing on any restricted property of any restricted subsidiary prior to the time that the restricted subsidiary became a subsidiary of América Móvil or liens arising after that time under contractual commitments entered into prior to and not in contemplation of that event;
- liens on any restricted property securing debt owed by a subsidiary of América Móvil to América Móvil or to another of its subsidiaries; and
- liens arising out of the refinancing, extension, renewal or refunding of any debt described above, provided that the aggregate principal amount of such debt is not increased and such lien does not extend to any additional restricted property.

"Consolidated Net Tangible Assets" means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on América Móvil's most recent consolidated balance sheet and computed in accordance with International Financial Reporting Standards ("IFRS").

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or its restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means our subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and it may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the debt securities will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the debt securities (excluding any secured indebtedness permitted under "Limitation on Liens") plus the aggregate amount of América Móvil's attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of its Consolidated Net Tangible Assets; or
- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the debt securities in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where América Móvil or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by América Móvil or its restricted subsidiary to that lender or investor for a sale price of U.S.$1 million (or its equivalent in other currencies) or more.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with IFRS, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease.

Limitation on Sale of Capital Stock of Telcel

América Móvil may not, and it may not allow any of its subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition it would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that it is required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including its annual reports on Form 20-F and reports on Form 6-K, within 15 days after it files them with the SEC. In addition, América Móvil will make the same information, documents and other reports available, at itd expense, to holders who so request in writing.

In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Exchange Act, it will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that we would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If América Móvil becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, it will deliver a certificate to the trustee describing the details thereof and the action it is taking or propose to take.

Defaults, Remedies and Waiver of Defaults

Holders of the notes will have special rights if an event of default with respect to the debt securities it holds occurs and is not cured, as described below.

Events of Default

Each of the following will be an "event of default" with respect to the debt securities:

- América Móvil fails to pay interest on any debt security within 30 days after its due date;
- América Móvil fails to pay the principal or premium, if any, of any debt security on its due date;
- América Móvil remains in breach of any covenant in the indenture for the benefit of holders of the debt securities, for 60 days after it receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the debt securities) stating that it is in breach;
- América Móvil or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$50 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil or Telcel in an aggregate amount in excess of U.S.$50 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- América Móvil or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to América Móvil or Telcel.

Remedies Upon Event of Default

If an event of default with respect to the debt securities occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of the debt securities, may declare the entire principal amount of all the debt securities to be due and payable immediately, and upon any such declaration the principal, any accrued interest and any additional amounts shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to América Móvil or Telcel, the entire principal amount of all the debt securities and any accrued interest and any additional amounts will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional amounts will become immediately due and payable.

Each of the situations described in the preceding paragraph is called an acceleration of the maturity of the debt securities. If the maturity of the debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the debt securities may cancel the acceleration for all the debt securities, provided that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to the debt securities have been cured or waived.

If any event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection, known as an indemnity, from expenses and liability. If the trustee receives an indemnity that is reasonably satisfactory to it, the holders of a majority in principal amount of the debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the debt securities.

Before the holders bypass the trustee and bring their own lawsuit or other formal legal action or take other steps to enforce their rights or protect their interests relating to the debt securities of any series, the following must occur:

- they must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of debt securities of that series must make a written request that the trustee take action with respect to the debt securities because of the default and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and
- during those 60 days, the holders of a majority in principal amount of debt securities of that series must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the debt securities of that series.

Holder of the notes will be entitled, however, at any time to bring a lawsuit for the payment of money due on your debt securities on or after its due date.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity.

Waiver of Default

The holders of not less than a majority in principal amount of the debt securities may waive a past default for all the debt securities. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any debt security, however, without the approval of the particular holder of that debt security.

Modification and Waiver

There are three types of changes América Móvil can make to the indenture and the outstanding debt securities under the indenture.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

- a change in the stated maturity of any principal or interest payment on a debt security;
- a reduction in the principal amount, the interest rate or the redemption price for a debt security;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on a debt security other than as permitted by the debt security;
- a change in the place of any payment on a debt security;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;
- a reduction in the percentage in principal amount of the debt securities needed to change the indenture or the outstanding debt securities under the indenture; and
- a reduction in the percentage in principal amount of the debt securities needed to waive our compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding debt securities under the indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture or the debt securities will be required to be approved by the holders of a majority in principal amount of the debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. América Móvil's covenants include the promises it makes about merging and creating liens on our interests, which are described under "Merger, Consolidation or Sale of Assets" and "Covenants". If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or the indenture, as it affects that debt security, that América Móvil cannot change without the approval of the holder of that debt security as described under in "Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if América Móvil seeks to change the indenture or the debt securities or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its obligations with respect to the debt securities ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities or (2) its obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of the debt securities. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee U.S. dollars or such other currency in which the debt securities are denominated (the "securities currency"), government obligations of the United States or a government, governmental agency or central bank of the country whose currency is the securities currency, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the debt securities then outstanding on the maturity date of the debt securities, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to any debt securities, it must so elect it with respect to all of the debt securities.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if América Móvil has deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

América Móvil will pay interest on the debt securities on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date.

For interest due on a debt security on an interest payment date, América Móvil will pay the interest to the holder in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the debt security. For principal due on a debt security at maturity, América Móvil will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment.

Unless otherwise specified, América Móvil computes interest on debt securities bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

Payments on Global Debt Securities. For debt securities issued in global form, América Móvil makes payments on the debt securities in accordance with the applicable procedures of the depositary as in effect from time to time. Under those procedures, América Móvil makes payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments is governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities. For debt securities issued in certificated form, América Móvil pays interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and it will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City.

Payment When Offices Are Closed

If any payment is due on a debt security on a day that is not a business day, América Móvil makes the payment on the day that is the next business day. Payments postponed to the next business day in this situation are treated under the indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the debt securities or the indenture. If interest on the debt securities is calculated on the basis of a 360-day year of twelve 30-day months, no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as its paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time; *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, América Móvil will maintain a paying agent in New York City. América Móvil may also choose to act as its own paying agent. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as a paying agent. América Móvil must notify holder of the notes of changes in the paying agents as described under "Notices".

Unclaimed Payments

All money paid by América Móvil to the trustee or any paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to América Móvil. After that two-year period, the holder may look only to América Móvil for payment and not to the trustee, any paying agent or anyone else.

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities or the indenture (subject to the exceptions described below), we have:

- submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of our place of residence or domicile; and

- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on América Móvil's behalf, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against América Móvil or our properties in other courts where jurisdiction is independently established.

To the extent that América Móvil has or hereafter may acquire or have attributed to América Móvil any sovereign or other immunity under any law, América Móvil has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities.

Currency Indemnity

América Móvil's obligations under the debt securities will be discharged only to the extent that the relevant holder is able to purchase the securities currency with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase the securities currency in the amount originally to be paid, América Móvil agrees to pay the difference. The holder, however, agrees that, if the amount of the securities currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil. The holder will not be obligated to make this reimbursement if América Móvil is in default of our obligations under the debt securities.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as transfer agent. América Móvil may also choose to act as its own transfer agent. América Móvil must notify holders of the notes of changes in the transfer agent as described under "Notices". If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as we issue notes in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If América Móvil issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

D. 2029 Notes and 2049 Notes

The 2029 Notes and the 2049 Notes constitute separate series of notes. The following discussion of the terms of the notes, including without limitation under "Optional Redemption", "Defaults, Remedies and Waiver of Defaults," "Modification and Waiver" and "Defeasance" below, applies to each series separately. References to "notes" and "debt securities" in this section III.D are to the 2029 Notes and the 2049 Notes, as applicable.

General

Indenture and Supplemental Indentures

The 2029 Notes and the 2049 Notes were issued under the 2018 Indenture and the 2019 Supplemental Indentures. References to the "indenture" in this section are to the 2018 Indenture as supplemented by the supplemental indentures relating to each series of notes. The indenture is an agreement among América Móvil, Citibank, N.A., as trustee, registrar and transfer agent, and Citibank, N.A., London Branch, as paying agent.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of holders against us if we default in respect of the debt securities. There are some limitations on the extent to which the trustee acts on behalf of holders, which we describe under "Defaults, Remedies and Waiver of Defaults" below.
- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of debt securities.

Principal and Interest

The original aggregate principal amount of the 2029 Notes is U.S.$1,000,000,000. The 2029 Notes will mature on April 22 and bear interest at a rate of 3.625% per year from April 22, 2019.

The original aggregate principal amount of the 2049 Notes is U.S.$1,250,000,000. The 2049 Notes will mature on April 22, 2049 and bear interest at a rate of 4.375% per year from April 22, 2019.

Interest on each series of the notes is payable on April 22 and October 22 of each year, to the holders in whose names the notes are registered at the close of business on April 7 or October 7 immediately preceding the related interest payment date (whether or not a business day).

América Móvil pays interest on each series of the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. Interest on the notes are computed at a fixed rate on the basis of a 360-day year of twelve 30-day months.

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

“Business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is (a) not a day on which banking institutions in New York City, London or Mexico City generally are authorized or obligated by law, regulation or executive order to close and (b) a day on which banks and financial institutions in Mexico are open for business with the general public.

Ranking of the Debt Securities

América Móvil is a holding company and its principal assets are shares that it holds in its subsidiaries. Its debt securities will not be secured by any of its assets or properties. As a result, by owning the debt securities, holders will be one of its unsecured creditors. The debt securities will not be subordinated to any of its other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the debt securities would rank equally in right of payment with all of its other unsecured and unsubordinated debt.

América Móvil’s debt securities will not be guaranteed by any of its subsidiaries. Claims of creditors of its subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the debt securities in claims to assets of its subsidiaries. Some of its outstanding debt securities that were issued in the Mexican and international markets are guaranteed by Telcel. Accordingly, the holders of those outstanding debt securities will have priority over the holders of the debt securities with respect to claims to the assets of Telcel. In addition, some securities América Móvil has issued in the Mexican and international markets provide for a covenant and events of default relating to Telcel (specifically, relating to its continued control of Telcel and to defaults or insolvency events involving Telcel) that are not included in its debt securities offered by the indenture.

Form and Denominations

The notes were issued only in registered form without coupons and in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Except in limited circumstances, the notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the notes of either series, to issue additional notes of a series on terms and conditions identical to those of the notes of that series (except for issue date, issue price and the date from which interest will accrue and, if applicable, the date on which interest will first be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes of that series.

Payment of Additional Interest

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to holders of the notes who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the notes all additional interest that may be necessary so that every net payment of interest or principal or premium, if any, to the holder will not be less than the amount provided for in the notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed or levied with respect to that payment by a Mexican taxing authority.

Any references to principal, premium, if any, interest or any other amount payable in respect of the notes by América Móvil will be deemed also to refer to any additional interest that may be payable in accordance with the provisions described herein.

América Móvil's obligation to pay additional interest is, however, subject to several important exceptions. América Móvil will not pay additional interest to or on behalf of any holder or beneficial owner, or to the trustee, for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of a debt security if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 calendar days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;

- any taxes, duties, assessments or other governmental charges with respect to a debt security presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such debt security would have been entitled to such additional interest on presenting such debt security for payment on any date during such 15-day period;
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any payment on a debt security to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional interest had the beneficiary, settlor, member or beneficial owner been the holder of such debt security; and
- any combination of the items in the bullet points above.

The limitations on América Móvil's obligations to pay additional interest described in the second bullet point above will not apply if the provision of information, documentation or other evidence described in that bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a debt security, taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States/Mexico Income Tax Treaty), regulations (including proposed regulations) and administrative practice.

Applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation) currently allow América Móvil to withhold at a reduced rate, provided that it complies with certain information reporting requirements. Accordingly, the limitations América Móvil's obligations to pay additional interest described in the second bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in that bullet point is expressly required by the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation), (b) América Móvil cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (c) it otherwise would meet the requirements for application of the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation).

In addition, the limitation described in the second bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. It will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional interest. América Móvil will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request.

In the event that additional interest actually paid with respect to the debt securities pursuant to the preceding paragraphs is based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such debt securities, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such debt securities, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to América Móvil. However, by making such assignment, the holder makes no representation or warranty that América Móvil will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Any reference in the indenture or the debt securities to principal, premium, if any, interest or any other amount payable in respect of the debt securities by América Móvil will be deemed also to refer to any additional interest that may be payable with respect to that amount under the obligations referred to in this subsection.

Optional Redemption

América Móvil will not be permitted to redeem the notes before their stated maturity, except as set forth below. The notes will not be entitled to the benefit of any sinking fund—meaning that América Móvil will not deposit money on a regular basis into any separate account to repay the notes. In addition, holders will not be entitled to require América Móvil to repurchase their notes from them before the stated maturity.

Optional Redemption With "Make-Whole" Amount or at Par

Prior to the applicable Par Call Date, América Móvil will have the right, at its option, to redeem the outstanding notes of each series, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the Remaining Payments, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, in case of the 2029 Notes, or plus 25 basis points, in the case of the 2049 Notes (in each case, the "make-whole" amount), plus, in each case, accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date. On or after the applicable Par Call Date, América Móvil will have the right, at its option, to redeem the outstanding notes of each series, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at par plus accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date.

“Par Call Date” means, in the case of the 2029 Notes, January 22, 2029 (the date that is three months prior to the stated maturity of the 2029 Notes) and, in the case of the 2049 Notes, October 22, 2048 (the date that is six months prior to the stated maturity of the 2049 Notes).

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue (as defined below), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (as defined below) for such redemption date.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the applicable Par Call Date of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the applicable Par Call Date of the series of notes to be redeemed.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by América Móvil.

“Comparable Treasury Price” means, with respect to any redemption date, (1) the arithmetic average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the arithmetic average of all such quotations.

“Reference Treasury Dealer” means Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, Barclays Capital Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated or their respective affiliates which are primary United States government securities dealers and at least one additional leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a “Primary Treasury Dealer”), América Móvil will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the third business day preceding such redemption date.

“Remaining Payments” means, with respect to the notes of a series to be redeemed, the remaining payments of principal of and interest on such notes that would be due after the related redemption date as if the notes were redeemed on the applicable Par Call Date. If the applicable redemption date is not an interest payment date with respect to the applicable series of notes, the amount of the next succeeding scheduled interest payment on the notes will be reduced by the amount of interest accrued on the notes to such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued and unpaid interest thereon to the redemption date on the notes to be redeemed on such date. If less than all of the outstanding notes of either series are to be redeemed, the notes to be redeemed shall be selected by the trustee on a *pro rata* basis or by lot (and, in the case of notes in global form, in accordance with the applicable procedures of DTC).

Tax Redemption

We will have the right to redeem the notes of either series upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional interest on the notes of that series in respect of withholding taxes at a rate in excess of 4.9%, in which case we may redeem the outstanding notes of that series, in whole but not in part, at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to the redemption date, any premium applicable in the case of a redemption prior to maturity and any additional interest due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay such additional interest if a payment on the debt securities of that series were then due and (2) at the time such notice of redemption is given such obligation to pay such additional interest remains in effect.

Prior to the publication of any notice of redemption for taxation reasons, América Móvil will deliver to the trustee:

- a certificate signed by one of our duly authorized representatives stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right of redemption for taxation reasons have occurred; and
- an opinion of Mexican legal counsel (which may be our counsel) of recognized standing to the effect that América Móvil have or will become obligated to pay such additional interest as a result of such change or amendment.

This notice, after it is delivered to the holders, will be irrevocable.

Merger, Consolidation or Sale of Assets

América Móvil may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless all of the following conditions are met:

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to the debt securities if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults"; and
- América Móvil has delivered to the trustee an officer's certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

If the conditions described above are satisfied, América Móvil will not have to obtain the approval of the holders in order to merge or consolidate or to sell or otherwise dispose of its properties and assets substantially as an entirety. In addition, these conditions will apply only if it wishes to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets and properties. América Móvil will not need to satisfy these conditions if it enters into other types of transactions, including any transaction in which it acquires the stock or assets of another person, any transaction that involves a change of control of the company, but in which it does not merge or consolidate, or any transaction in which it sells or otherwise disposes of less than substantially all its assets.

Covenants

The following covenants will apply to América Móvil and certain of our subsidiaries for so long as any debt security remains outstanding. These covenants restrict our ability and the ability of these subsidiaries to enter into certain transactions. However, these covenants do not limit América Móvil's ability to incur indebtedness or require América Móvil to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

América Móvil may not, and it may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on its restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of our restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of our Consolidated Net Tangible Assets unless it secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

- liens on restricted property acquired and existing on the date the property was acquired or arising after such acquisition pursuant to contractual commitments entered into prior to such acquisition;
- liens on any restricted property securing debt incurred or assumed for the purpose of financing its purchase price or the cost of its construction, improvement or repair; *provided* that such lien attaches to the restricted property within 12 months of its acquisition or the completion of its construction, improvement or repair and does not attach to any other restricted property;

- liens existing on any restricted property of any restricted subsidiary prior to the time that the restricted subsidiary became a subsidiary of América Móvil or liens arising after that time under contractual commitments entered into prior to and not in contemplation of that event;
- liens on any restricted property securing debt owed by a subsidiary of América Móvil to América Móvil or to another of its subsidiaries; and
- liens arising out of the refinancing, extension, renewal or refunding of any debt described above; *provided* that the aggregate principal amount of such debt is not increased and such lien does not extend to any additional restricted property.

"Consolidated Net Tangible Assets" means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on our most recent consolidated balance sheet and computed in accordance with International Financial Reporting Standards ("IFRS").

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or our restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means América Móvil's subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the debt securities will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the debt securities (excluding any secured indebtedness permitted under "Limitation on Liens") plus the aggregate amount of its attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of our Consolidated Net Tangible Assets; or
- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the debt securities in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where América Móvil or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by it or its restricted subsidiary to that lender or investor for a sale price of U.S.$ 1 million (or its equivalent in other currencies) or more.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate inherent in the applicable lease, of the obligations of the lessee for net rental payments (excluding, amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease (as determined in good faith by América Móvil in accordance with IFRS).

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that we are required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including our annual reports on Form 20-F and reports on Form 6-K, within 15 days after it files them with the SEC. In addition, it will make the same information, documents and other reports available, at its expense, to holders who so request in writing.

In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Exchange Act, América Móvil will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that it would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If América Móvil becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, América Móvil will deliver a certificate to the trustee describing the details thereof and the action we are taking or propose to take.

Defaults, Remedies and Waiver of Defaults

Holders will have special rights if an event of default with respect to the debt securities they hold occurs and is not cured, as described below.

Events of Default

Each of the following will be an "event of default" with respect to the debt securities:

- América Móvil fails to pay interest on any debt security within 30 days after its due date;
- América Móvil fails to pay the principal or premium, if any, of any debt security on its due date;

- América Móvil remains in breach of any covenant in the indenture for the benefit of holders of the debt securities, for 60 days after it receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the debt securities) stating that it is in breach;
- América Móvil experiences a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$50 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil in an aggregate amount in excess of U.S.$50 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- América Móvil files for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to it.

Remedies Upon Event of Default

If an event of default with respect to the debt securities occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of the debt securities, may declare the entire principal amount of all the debt securities to be due and payable immediately, and upon any such declaration the principal, any accrued interest and any additional interest shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to América Móvil, the entire principal amount of all the debt securities and any accrued interest and any additional interest will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional interest will become immediately due and payable.

Each of the situations described in the preceding paragraph is called an acceleration of the maturity of the debt securities. If the maturity of the debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the debt securities may cancel the acceleration for all the debt securities, provided that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to the debt securities have been cured or waived.

If any event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection, known as indemnity and/or security, from expenses and liability. If the trustee receives an indemnity and/or security that is satisfactory to it, the holders of a majority in principal amount of the debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the debt securities.

Before holders bypass the trustee and bring their own lawsuit or other formal legal action or take other steps to enforce their rights or protect their interests relating to the debt securities of any series, the following must occur:

- such holders must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of debt securities of that series must make a written request that the trustee take action with respect to the debt securities because of the default and they or other holders must offer to the trustee indemnity and/or security satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and
- during those 60 days, the holders of a majority in principal amount of debt securities of that series must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the debt securities of that series.

Holders will be entitled, however, at any time to bring a lawsuit for the payment of money due on their debt securities on or after its due date.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity.

Waiver of Default

The holders of not less than a majority in principal amount of the debt securities may waive a past default for all the debt securities. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any debt security, however, without the approval of the particular holder of that debt security.

Modification and Waiver

There are three types of changes América Móvil can make to the indenture and the outstanding debt securities under the indenture.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

- a change in the stated maturity of any principal or interest payment on a debt security;
- a reduction in the principal amount, the interest rate or the redemption price for a debt security;

- a change in the obligation to pay additional interest;
- a change in the currency of any payment on a debt security other than as permitted by the debt security;
- a change in the place of any payment on a debt security;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;
- a reduction in the percentage in principal amount of the debt securities needed to change the indenture or the outstanding debt securities under the indenture; and
- a reduction in the percentage in principal amount of the debt securities needed to waive our compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to curing any ambiguity, defect or inconsistency, making changes to conform the provisions contained in the indentures to the description of debt securities contained in the prospectus or an applicable prospectus supplement and making changes that do not adversely affect the rights of holders of the debt securities in any material respect, such as adding covenants, additional events of default, collateral or successor trustees.

Changes Requiring Majority Approval

Any other change to the indenture or the debt securities will be required to be approved by the holders of a majority in principal amount of the debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. Its covenants include the promises it makes about merging and creating liens on its interests, which are described under "Merger, Consolidation or Sale of Assets" and "Covenants". If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or the indenture, as it affects that debt security, that it cannot change without the approval of the holder of that debt security as described under "—Changes Requiring Each Holder's Approval," unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its obligations with respect to the debt securities ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities or (2) our obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of the debt securities. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee U.S. dollars or such other currency in which the debt securities are denominated (the "securities currency"), government obligations of the United States or a government, governmental agency or central bank of the country whose currency is the securities currency, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional interest) in respect of the debt securities then outstanding on the maturity date of the debt securities, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to any debt securities, it must so elect it with respect to all of the debt securities.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if we have deposited with the trustee in trust or the paying agent or set aside (if we act as our own paying agent) in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

América Móvil will pay interest on the debt securities on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment or, if none has been paid or made available for payment, from the issue date, to but excluding the relevant payment date.

For interest due on a debt security on an interest payment date, América Móvil will pay the interest to the holder in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the debt security. For principal due on a debt security at maturity, América Móvil will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment.

Payments on Global Debt Securities. For debt securities issued in global form, América Móvil will make payments on the debt securities in accordance with the applicable procedures of the depositary as in effect from time to time. Under those procedures, América Móvil will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities. For debt securities issued in certificated form, América Móvil will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and América Móvil will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in London.

Payment When Offices Are Closed

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

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as its paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time; *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, América Móvil will maintain a paying agent in London. América Móvil may also choose to act as its own paying agent. Initially, América Móvil has appointed Citibank, N.A., London Branch, at its corporate trust office in London, as a paying agent. América Móvil must notify holders of changes in the paying agents as described under "—Notices."

Unclaimed Payments

All money paid by América Móvil to the trustee or any paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to América Móvil. After that two-year period, the holder may look only to América Móvil for payment and not to the trustee, any paying agent or anyone else.

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities or the indenture (subject to the exceptions described below), América Móvil has:

- submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of our place of residence or domicile; and
- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on our behalf, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against América Móvil or our properties in other courts where jurisdiction is independently established.

To the extent that América Móvil has or hereafter may acquire or have attributed to it any sovereign or other immunity under any law, it has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities.

Currency Indemnity

América Móvil's obligations under the debt securities will be discharged only to the extent that the relevant holder is able to purchase the securities currency with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase the securities currency in the amount originally to be paid, América Móvil has agreed to pay the difference. The holder, however, agrees that, if the amount of the securities currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil. The holder will not be obligated to make this reimbursement if América Móvil is in default of our obligations under the debt securities.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as transfer agent. América Móvil may also choose to act as its own transfer agent. América Móvil must notify holders of changes in the transfer agent as described under "Notices." If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as the notes are in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If América Móvil issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Exhibit 8.1

LIST OF CERTAIN SUBSIDIARIES OF AMÉRICA MÓVIL, S.A.B. DE C.V.

As of April 29, 2020

Name of Company	Jurisdiction	Ownership Interest	Main Activity
América Móvil B.V.	Netherlands	100.0	Holding Company
Telekom Austria AG	Austria	51.00	Fixed-line/Wireless
AMX Tenedora, S.A. de C.V.	Mexico	100.0	Holding Company
Teléfonos de México, S.A.B. de C.V.	Mexico	98.8	Fixed-line
Compañía Dominicana de Teléfonos, S. A. (Codetel)	Dominican Republic	100.0	Fixed-line/Wireless
Sercotel, S.A. de C.V.	Mexico	100.0	Holding Company
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries (Telcel)	Mexico	100.0	Wireless
Puerto Rico Telephone Company, Inc.	Puerto Rico	100.0	Fixed-line/Wireless
Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras)	Honduras	100.0	Wireless
TracFone Wireless, Inc.	USA	100.0	Wireless
Claro S.A. (Claro Brazil)	Brazil	98.5	Holding Company
NII Brazil Holding S.A.R.L	Luxembourg	100.0	Holding Company
Nextel Telecomunicações Ltda. and subsidiaries	Brazil	100.0	Wireless
Americel S.A.	Brazil	100.0	Wireless
Telecomunicaciones de Guatemala, S.A.	Guatemala	99.3	Fixed-line/Wireless
Claro Guatemala, S.A.	Guatemala	100.0	Wireless
Empresa Nicaragüense de Telecomunicaciones, S.A.	Nicaragua	99.6	Fixed-line/Wireless
Estesa Holding Corp.	Panama	100.0	Holding Company
Cablenet, S.A.	Nicaragua	100.0	Cable TV
Estaciones Terrenas de Satélite, S.A. (Estesa)	Nicaragua	100.0	Cable TV
Compañía de Telecomunicaciones de El Salvador (CTE), S.A. de C.V.	El Salvador	95.8	Fixed-line
Cablenet, S.A. (Cablenet)	Guatemala	95.8	Fixed-line
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	95.8	Directories Provider
CTE Telecom Personal, S.A. de C.V.	El Salvador	95.8	Wireless
Comunicación Celular S.A. (Comcel)	Colombia	99.4	Wireless

Name of Company	Jurisdiction	Ownership Interest	Main Activity
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0	Wireless
AMX Argentina, S.A.	Argentina	100.0	Wireless
Telstar, S.A.	Uruguay	99.9	Fixed-line
Flimay, S.A.	Uruguay	99.9	DTH
Ertach, S.A.	Argentina	99.9	Wireless
Telmex Argentina, S.A.	Argentina	99.9	Services to Corporate Customers
AMX Paraguay, S.A.	Paraguay	100.0	Wireless
AM Wireless Uruguay, S.A.	Uruguay	100.0	Wireless
Claro Chile S.A.	Chile	100.0	Wireless
Claro Servicios, S.A.	Chile	99.9	Fixed-line/Wireless
América Móvil Perú, S.A.C.	Peru	100.0	Wireless
Claro Panamá, S.A.	Panama	100.0	Wireless
Telefónica Móviles Guatemala, S.A.	Guatemala	100.00	Wireless

Exhibit 12.1

CEO CERTIFICATION

I, Daniel Hajj Aboumrad, certify that:

1. I have reviewed this annual report on Form 20-F of América Móvil, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 29, 2020

/s/ Daniel Hajj Aboumrad
Daniel Hajj Aboumrad
Chief Executive Officer

Exhibit 12.2

CFO CERTIFICATION

I, Carlos José García Moreno Elizondo, certify that:

1. I have reviewed this annual report on Form 20-F of América Móvil, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 29, 2020

/s/ Carlos José García Moreno Elizondo
Carlos José García Moreno Elizondo

Exhibit 13.1

OFFICER CERTIFICATIONS

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of América Móvil, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico (the "Company"), does hereby certify to such officer's knowledge that:

The annual report on Form 20-F for the fiscal year ended December 31, 2019 (the "Form 20-F") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 29, 2020

/s/ Daniel Hajj Aboumrad
Daniel Hajj Aboumrad
Chief Executive Officer

Dated: April 29, 2020

/s/ Carlos José García Moreno Elizondo
Carlos José García Moreno Elizondo
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form F-3ASR No. 333-227649) of América Móvil, S.A.B. de C.V. and subsidiaries, of our reports dated April 29, 2020, with respect to the consolidated financial statements of América Móvil, S.A.B. de C.V. and subsidiaries, and the effectiveness of internal control over financial reporting of América Móvil, S.A.B. de C.V. and subsidiaries, included in this Annual Report on Form 20-F for the year ended December 31, 2019.

/s/ MANCERA, S.C.

Mexico City, Mexico
April 29, 2020