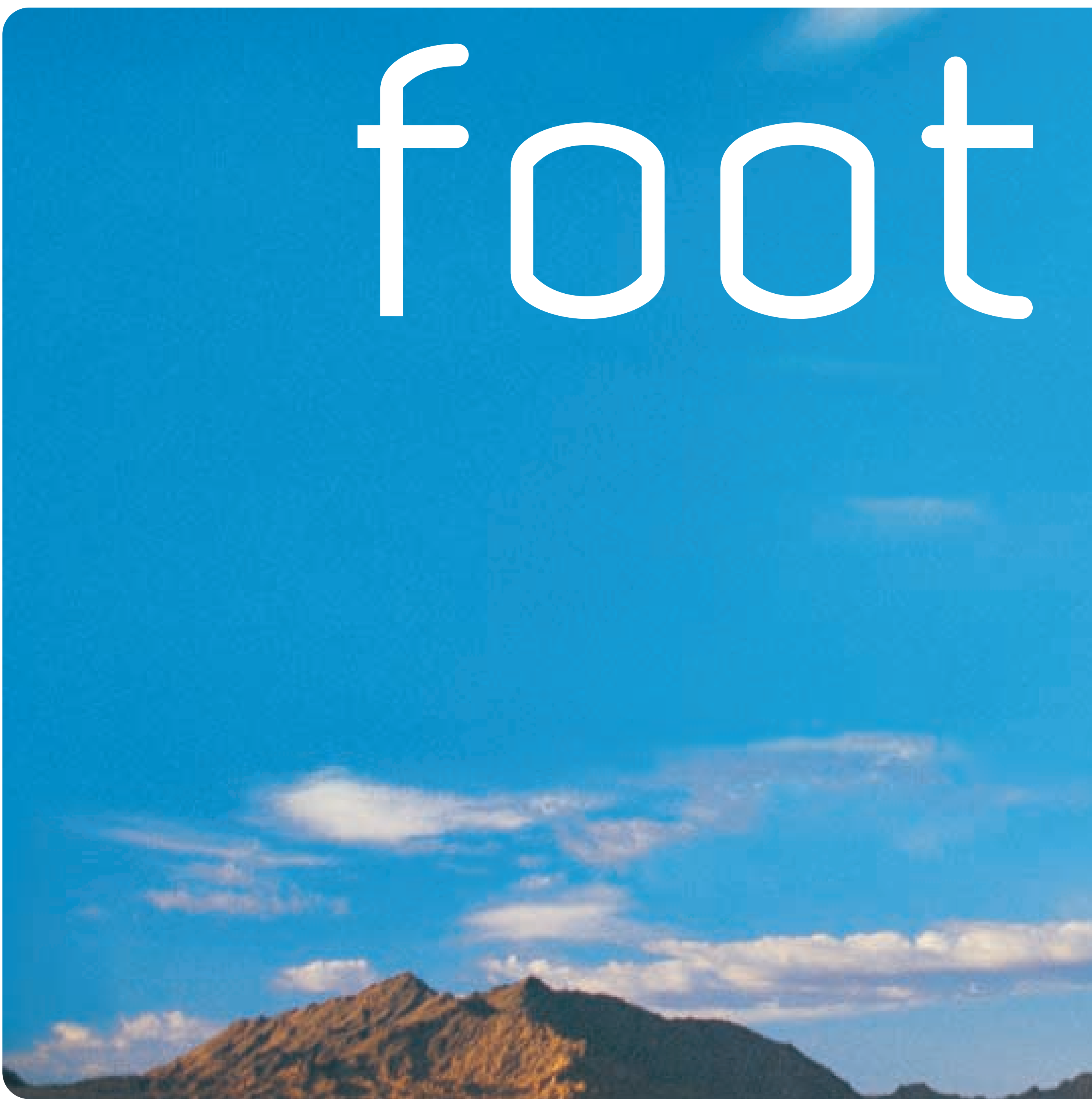
América Móvil → 2003 Annual Report

...we've efficiently

expanded our



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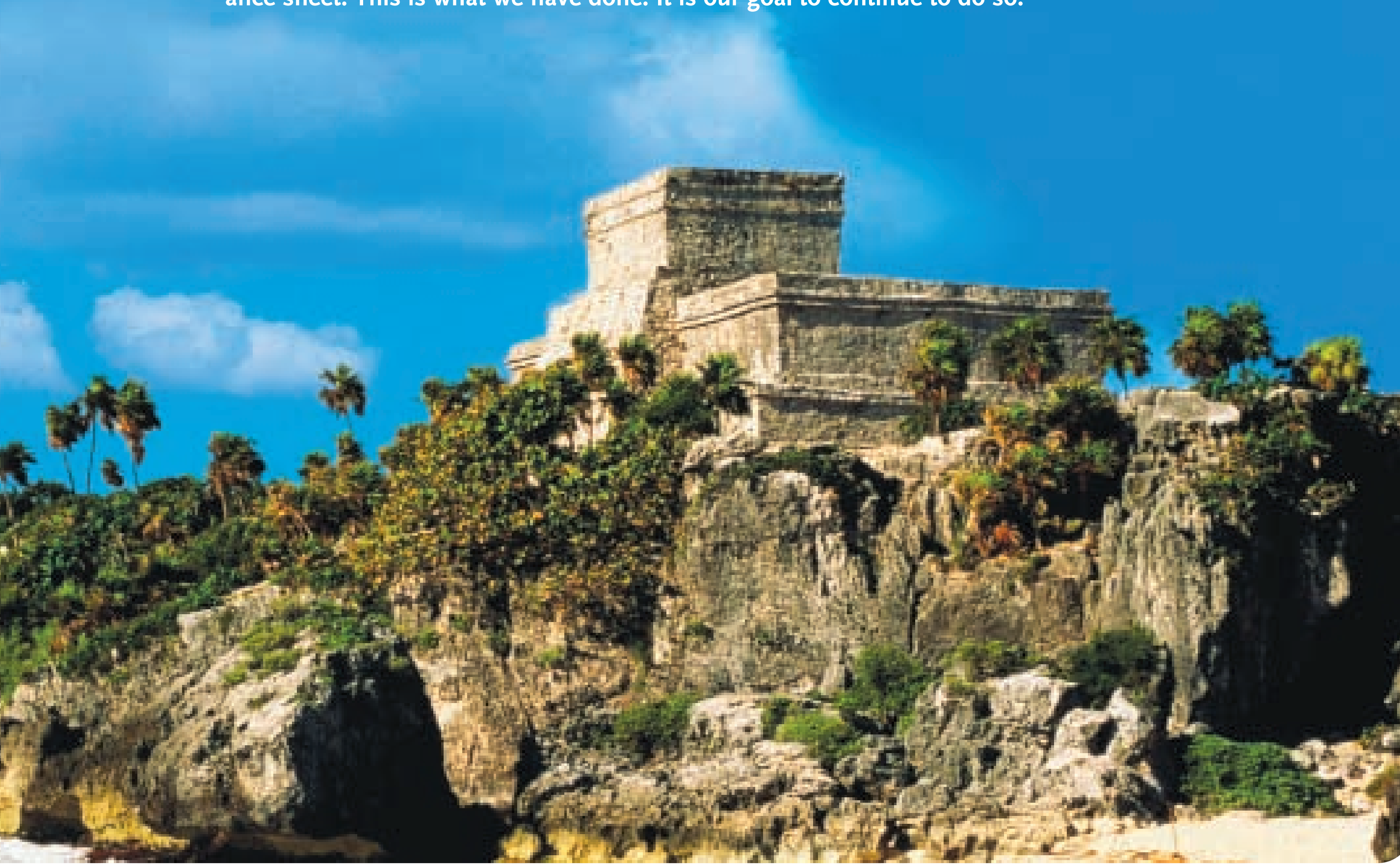
Where some people see difficulties, we see opportunities. Over the last year América Móvil reinforced its commitment to the region. Through increased capital expenditures and acquisitions—five in 2003 alone—we have ensured that we will continue to grow in Latin America and the U.S.

Our knowledge of the region, the culture, its people, allows us to take advantage of the opportunities for profit and adequately address the risks involved. And this allows us to continue to expand profitably. For the benefit of our clients, our investors and our employees.

Tulum, Mexico

→ our business has grown and so have profits

In just three years of operations, our revenues more than doubled reflecting both our organic growth and the acquisitions we have made along the way. In this period the Latin American population we have a license to serve rose from 126 million to 362 million people in 8 countries in the region. This in addition to our nationwide coverage in the U.S. Our subscriber base went from 12 million to 44 million people. The number of people we employ nearly doubled. And the bottom line? Our net income went up by 20 times. To grow profitably, with a clean and strong balance sheet. This is what we have done. It is our goal to continue to do so.



Net income trebles to

1.4

billion dollars in 2003

→ in overcoming challenges

we've become strong

We have encountered periods of intense volatility and uncertainty in some of the countries where we operate. Often coupled with intense competition. But we have been able to deal with the challenges we have encountered and in the process have emerged stronger. Because of our resolve and long-term investment horizon we can see opportunity where others detect only problems; we can be bold where others are hesitant at best. To be ahead of the curve... One of the things management is all about.

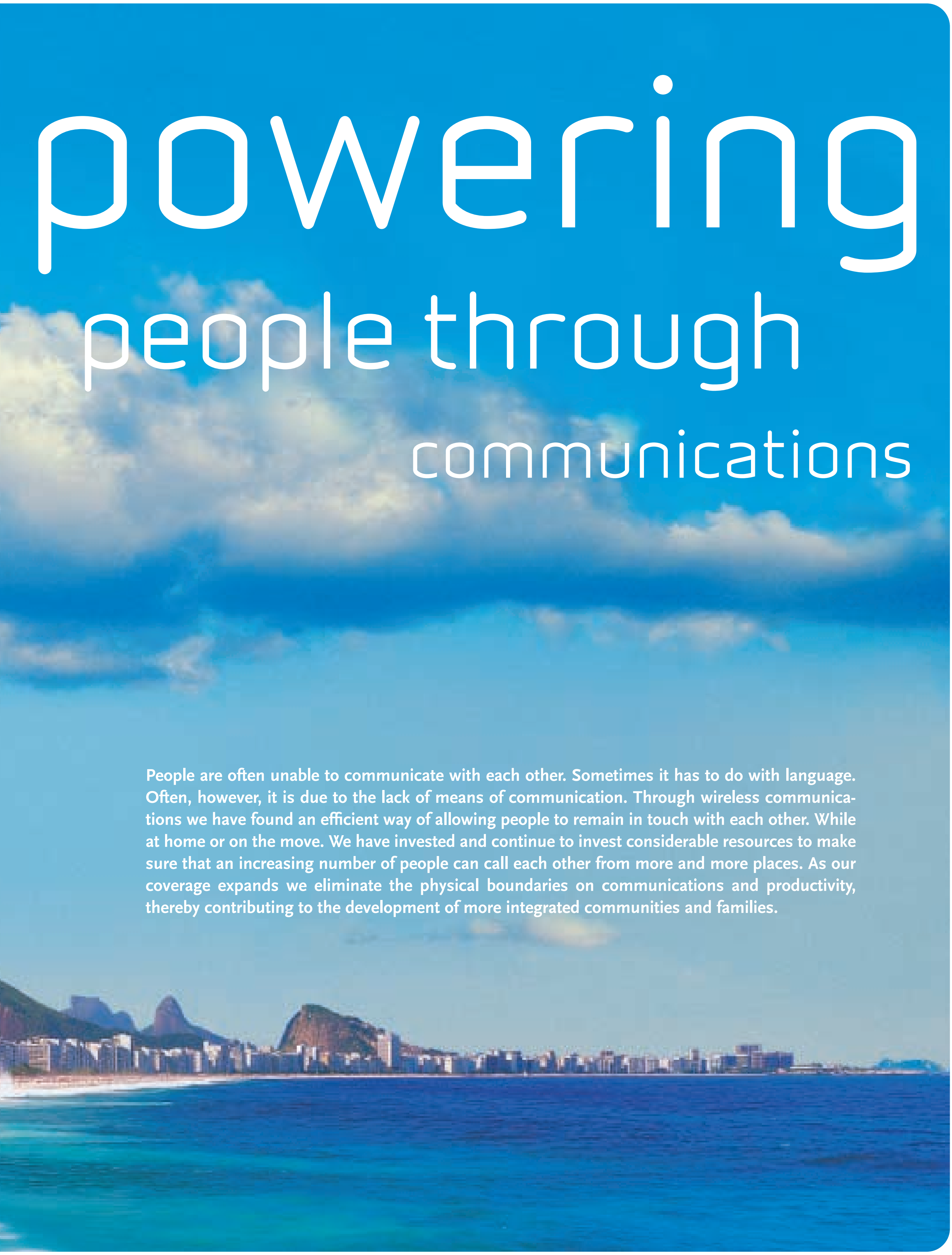
1.6

billion dollars in acquisitions in 2003

Puerto Madero, Argentina

Rio de Janeiro, Brazil

powering people through communications



People are often unable to communicate with each other. Sometimes it has to do with language. Often, however, it is due to the lack of means of communication. Through wireless communications we have found an efficient way of allowing people to remain in touch with each other. While at home or on the move. We have invested and continue to invest considerable resources to make sure that an increasing number of people can call each other from more and more places. As our coverage expands we eliminate the physical boundaries on communications and productivity, thereby contributing to the development of more integrated communities and families.

1.2

billion dollars
in capex
in 2003

a new platfo for data and entertainment

América Móvil has adopted GSM wireless technology in all of its operations. This has allowed us to provide our clients with seamless digital roaming practically anywhere in Latin America. As well as in the U.S., Europe and most countries in the world. And our GSM platform delivers also faster transmission of data. Which opens a whole new set of possibilities, including wireless email and Internet. And photographs: our clients can now send each other the digital photographs they take with their new GSM handsets.

Common

GSM

platform in the Americas

Antigua, Guatemala

América Móvil

América Móvil is the main wireless company in Latin America and one of the ten largest in the world. It has operations in nine countries in the Americas, covering a combined population of over 650 million people. State-of-the-art products and quality services are available for over 43 million people that make up América Móvil's wireless subscriber base and 1.6 million fixed lines in the Central American region, where América Móvil consolidated its presence as the principal provider of telecommunications services. Commitment to the region, proximity to its clients and an ability to take advantage of the opportunities it encounters will allow América Móvil to continue to deliver on revenues and profit growth.

our company at a glance

1 UNITED STATES → Tracfone
Licensed Pop[1]: 292
Wireless Penetration: 53.7%
Subscribers (thousands): 2,952
Total Revenues (million dollars): 547
América Móvil's Interest: 98.2%

2 MEXICO → Telcel
Licensed Pop[1]: 105
Wireless Penetration: 29.1%
Subscribers (thousands): 23,444
Total Revenues (million dollars): 4,669
América Móvil's Interest: 100.0%

3 GUATEMALA → Telgua and Sercom
Licensed Pop[1]: 12
Wireless Penetration: 16.2%
Wireline Penetration: 7.6%
Subscribers (thousands): 1,799
Wireless (thousands): 870
Fixed (thousands): 930
Total Revenues (million dollars): 498
América Móvil's Interest: 98.8%

4 EL SALVADOR → CTE
Licensed Pop[1]: 7
Wireless Penetration: 13.0%
Subscribers (thousands): 901
Wireless (thousands): 212
Fixed (thousands): 689
Total Revenues (million dollars): 377
América Móvil's Interest: 51.0%

5 NICARAGUA → Sercom
Licensed Pop[1]: 6
Wireless Penetration: 8.4%
Subscribers (thousands): 100
Total Revenues (million dollars): 11
América Móvil's Interest: 98.8%

6 COLOMBIA → Comcel
Licensed Pop[1]: 44
Wireless Penetration: 14.0%
Subscribers (thousands): 3,674
Total Revenues (million dollars): 489
América Móvil's Interest: 95.7%

7 BRAZIL → Telecom Americas
Licensed Pop[1]: 140
Wireless Penetration: 26.9%
Subscribers (thousands): 9,521
Total Revenues (million dollars): 983
América Móvil's Interest: 97.5%

8 ARGENTINA → CTI
Licensed Pop[1]: 37
Wireless Penetration: 19.0%
Subscribers (thousands): 1,411
Total Revenues (million dollars): 240
América Móvil's Interest: 92.0%

9 ECUADOR → Conecel
Licensed Pop[1]: 13
Wireless Penetration: 19.1%
Subscribers: 1,537
Total Revenues (million dollars): 239
América Móvil's Interest: 100.0%

(1) Source: 2003 World Population Data Sheet of the Population Reference Bureau

2003 relevant events

May: América Móvil acquires through Telecom Americas a controlling interest in Brazilian wireless company BSE, S.A., adding approximately 1 million subscribers to its subscriber base.

July: América Móvil acquires an option to buy Argentinean wireless company CTI. Upon exercising the option later in the year it acquired approximately 1.2 million subscribers. In the same month, América Móvil increased its participation in Ecuadorian subsidiary Conecel from 80% to 100%.

August: América Móvil's bid for an interest in Brazilian wireless company BCP, S.A., with approximately 1.7 million subscribers, was accepted. The transaction closed three months later.

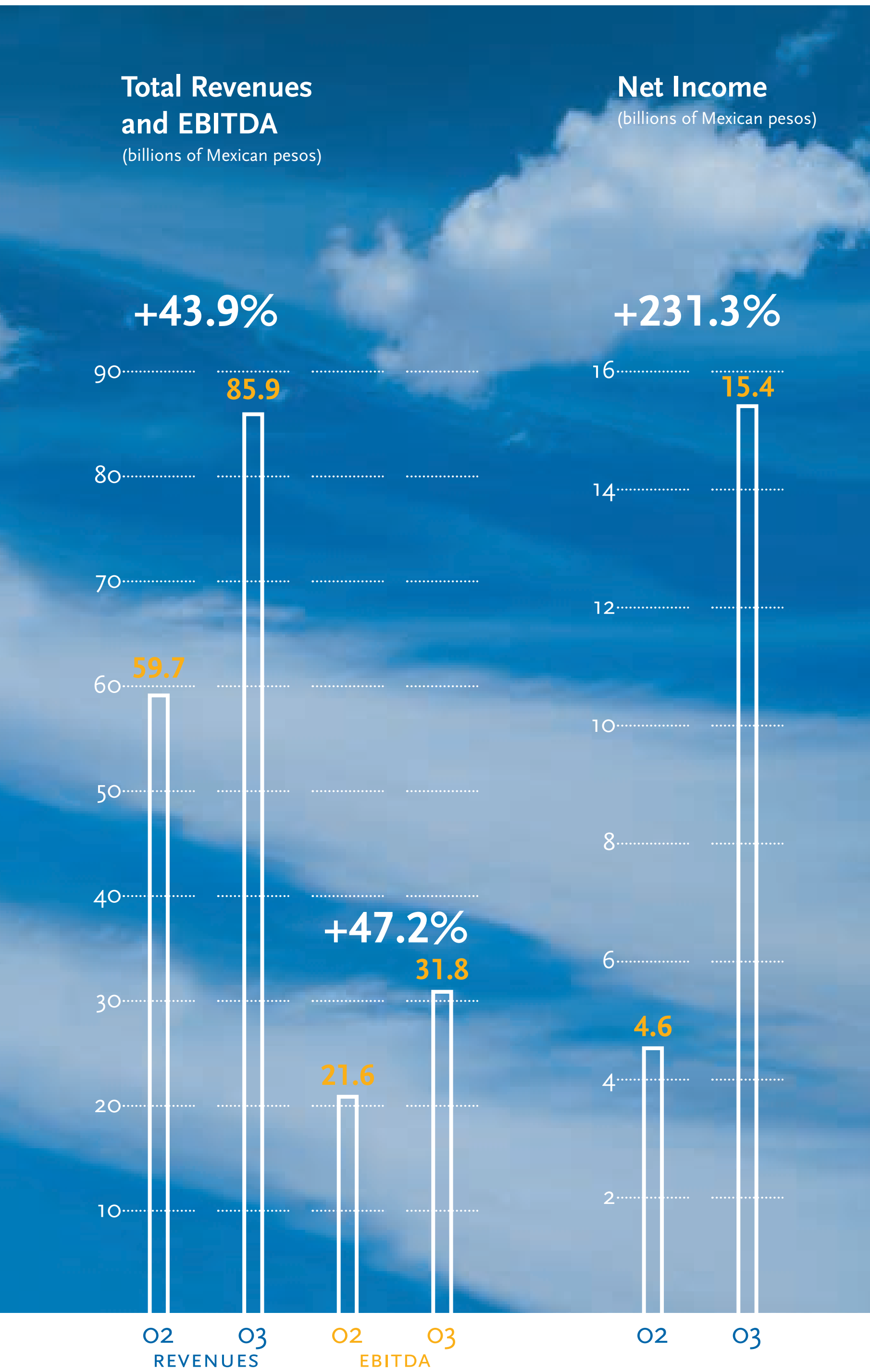
September: América Móvil acquires 51% of Salvadorian telecommunications company Compañía de Telecomunicaciones de El Salvador (CTE). The company had approximately 623 thousand fixed lines and 152 thousand wireless subscribers.

December: The Nicaraguan Government accepts América Móvil's offer for its 49% ownership interest in Empresa Nicaragüense de Telecomunicaciones, S.A., which offers fixed, wireless and other telecommunications services in Nicaragua.

relevant financial data

	2003*	2002*	Chg%	2003 US$ Millions
Total Revenues	**85,941**	59,743	43.9%	7,649
EBITDA	**31,838**	21,627	47.2%	2,834
EBITDA Margin	**37.0%**	36.2%		37.0%
Operating Profit	**17,960**	12,980	38.4%	1,599
Operating Margin	**20.9%**	21.7%		20.9%
Net Income	**15,383**	4,644	231.3%	1,370
Earnings per Share (EPS, PESOS)	**1.19**	0.35	240.0%	0.10
Earnings per ADR (US DOLLARS)	**2.12**	0.62	240.0%	
Total Stochholders' Equity	**69,212**	51,146	35.3%	6,160
Total Assets	**149,979**	117,538	27.6%	13,349
Weighted Average of Common Shares Outstanding (millions)	**12,912**	13,123		
Return on Equity (ROE)	**22.2%**	9.0%		

*(millions of Constant Mexican Pesos as of December 31, 2003, except for earnings per share and per ADR)



NET INCOME TREBLES TO 15.4 BILLION PESOS IN 2003

We determine EBITDA as shown in the reconciliation below:

	2001	2002	2003
Operating Income	6,674	12,980	17,960
Plus			
Depreciation	3,921	6,426	9,727
Amortization	999	2,181	4,151
Impairment Charges	2,133	41	0
EBITDA	**13,727**	**21,627**	**31,838**

letter to our shareholders

It has been only three years since América Móvil began operations. Three busy years. In this brief period América Móvil has made its mark in the wireless markets of the Americas, expanding ever more its presence in its home market, Mexico, and making inroads in various other countries in Latin America as well as in the U.S.

During this period major changes in the world's telecom markets took place, and Latin America was not the exception. Overall, these changes point towards a consolidation of the wireless market, both by region and within the countries that conform a given region. In Latin America a major reshaping of the marketplace occurred. Many firms exited the business, and other ones took their place.

At the time América Móvil was established, our wireless licenses allowed us to provide services to a population of 126 million in Latin America, including approximately 100 million in Mexico. We had operations in three countries in the region, Mexico included. By the end of 2003 the population covered by our wireless licenses in Latin America had risen to 362 million. Our operating footprint had come to cover an additional five countries in the region, increasing the total to eight. And this in addition to our operations in the U.S.

América Móvil's subscriber base nearly quadrupled in the three year period, from 12.2 million at the end of 2000 to 43.7 million last December, while the number of fixed lines more than doubled, to 1.6 million. Taken together this resulted in a total of 45.3 million lines served at the end of 2003. Our dynamic performance reflects both the organic growth, led by Telcel, and the effect of acquisitions.

A significant part of América Móvil's expansion took place in 2003 as the firm gained 12.1 million new wireless subscribers—approximately two thirds of them through organic growth—and 830 thousand fixed lines. Consolidated revenues rose to 7.6 billion dollars, 43.9% more than in 2002 aided by strong subscriber growth, with operating profits increasing by 38.4%, to 1.6 billion dollars. Net profits, at 1.4 billion dollars, exceeded the previous year's by 3.3 times.

A SIGNIFICANT PART OF AMÉRICA MÓVIL'S EXPANSION TOOK PLACE IN 2003 AS **THE FIRM GAINED 12.1 MILLION NEW WIRELESS SUBSCRIBERS**—APPROXIMATELY TWO THIRDS OF THEM THROUGH ORGANIC GROWTH—AND 830 THOUSAND FIXED LINES.

In 2003 América Móvil acquired five companies, two of them in Brazil—which led to a nearly 50% increase in our licensed footprint, to approximately 140 million—and one each in Colombia, El Salvador and Argentina. In Argentina we gained a nationwide wireless operation; with the Colombian acquisition we expanded our footprint to the entire country; and our purchase of CTE in El Salvador resulted in the consolidation of América Móvil as the most important telecommunications player in Central America, with operations in Guatemala, Nicaragua and El Salvador.

These acquisitions, plus the purchase of various minority interests—including the remaining 20% interest in our Ecuadorian subsidiary—resulted in the investment by América Móvil of 1.6 billion dollars. This was in addition to the capital expenditures in the amount of 1.2 billion dollars undertaken by the various subsidiaries to expand and improve their network coverage and services. Additionally, we repurchased shares totaling approximately 100 million dollars. The funding for these capital outlays came from the company's own cash flow, as the company's net debt actually came down slightly in the year.

The wireless markets in Latin America have been reenergized by significantly improved macroeconomic conditions in the region and by the advent of new, stronger players. They are now growing much more rapidly than expected only a few months ago, which is leading us to increase our estimated rates of attainable wireless penetration in various Latin American countries. But this is not only an issue of subscribers. We are seeing in several countries that as penetration expands the *usage* of wireless services per subscriber also tends to increase.

As we face more rapid subscriber and traffic growth on the one hand, and more competition on the other, it is crucial that we make the required investments to ensure that we have the capacity to serve an ever larger number of subscribers and that the quality and breadth of services we offer allow us to maintain and increase our competitive advantage.

One important aspect in this regard is the establishment of a GSM-based wireless network the company has put in place in all of our Latin American subsidiaries. This provides a common technological platform that ensures seamless digital roaming across countries and permits the development of new applications and services which can be standardized across the region. With GSM technology slated to become the new "standard" in Latin America in terms of coverage and consumer appeal, it clearly is of benefit to our subscribers to have, early on, the ability to tap such services and applications.

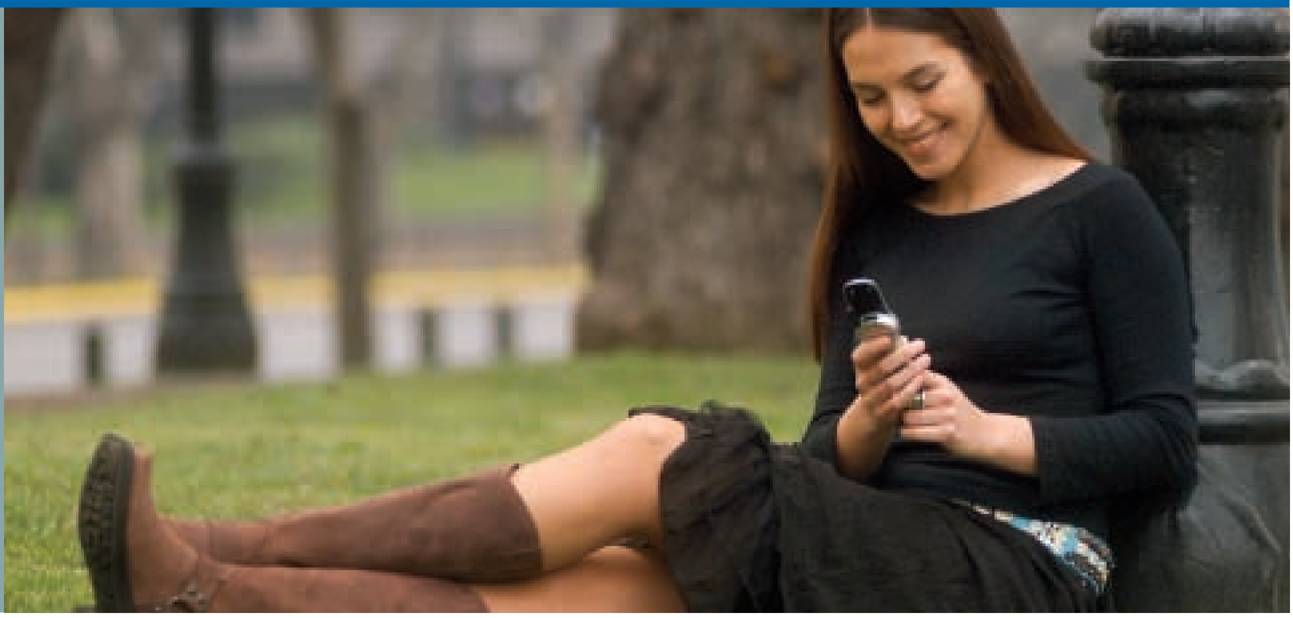
Latin American countries appear to be more stable and on better footing for renewed economic growth than they have been in years. Consumer purchasing power is on the rebound in light of low inflation, relatively low interest rates and no major imbalances on the external front. This is likely to lead, together with continued increases in wireless penetration rates in the region, to a significant expansion of the Latin American wireless markets in the years ahead.

With the appropriate wireless infrastructure in place—a broad footprint that continues to expand both at the national and the regional levels and which helps generate greater revenues for the firm—; a sound financial position; and strict controls over costs and expenses, América Móvil is well positioned to capture the benefits of that growth. This shall result in broader and better coverage and services for our clients and a more promising and dynamic environment for our workforce, who made it possible for our company to undertake major investment projects and to rapidly assimilate the operations acquired thus far. We are grateful to our shareholders for their trust and support, which were essential for América Móvil's development in such a relatively short period of time.

CARLOS SLIM HELÚ
Chairman of the Board

DANIEL HAJJ ABOUMRAD
Chief Executive Officer

América Móvil



América Móvil finished 2003 with 43.7 million wireless subscribers, 12.1 million more than it had at the end of 2002. Most of the increase (7.9 million) resulted from organic growth, the difference, approximately 4.2 million subscribers, from the following acquisitions: Celcaribe, in Colombia, (consolidated in América Móvil beginning in February); BSE and BCP in Brazil (May and December); CTE in El Salvador (November); and CTI in Argentina (November). The impact of acquisitions is more acutely reflected in the number of equity subscribers, which rose by 39.7% in the year, from 30.7 million to 42.9 million.

The Mexican operation registered 3.4 million net additions in 2003, bringing its subscriber base to 23.4 million. The Brazilian entities under Telecom Americas finished the year with a total of 9.5 million subscribers, having increased their subscriber base by 4.3 million in the period through acquisitions and organic growth.

At the end of 2003 the Central American operations of América Móvil (encompassing Guatemala, Nicaragua and now also El Salvador) had a combined wireless subscriber base of 1.2 million plus 1.6 million fixed lines. The operations in Colombia had 3.7 million subscribers, in Argentina 1.4 million and in Ecuador 1.5 million. In the United States our subsidiary Tracfone had nearly 3 million subscribers.

América Móvil's Subsidiaries & Affiliates as of December 2003

COUNTRY	COMPANY	BUSINESS	EQUITY PARTICIPATION
Subsidiaries			
Mexico	Telcel	wireless	100.0%
Argentina	CTI	wireless	92.0%
	Techtel	broadband, wireline	60.0%
Brazil	Telecom Americas	wireless	97.5%
Colombia	Comcel	wireless	95.7%
Ecuador	Conecel	wireless	100.0%
El Salvador	CTE	wireless, wireline	51.0%
Guatemala	Telgua	wireline	98.8%
	Sercom	wireless	98.8%
Nicaragua	Sercom	wireless	98.8%
U.S.A.	Tracfone	wireless	98.2%
Affiliates			
Mexico	US Commercial Corp.	other	29.7%
U.S.A	Telvista	other	44.2%

Reflecting both the organic growth of the company's revenues and the incorporation of the firms acquired throughout the year, América Móvil's revenues increased by 44% in 2003, to 7.6 billion dollars. Service revenues accounted for 86% of total revenues. EBITDA came in at 2.8 billion dollars, or 37.0% of revenues, having risen by 47% relative to the previous year's, while operating profits, at 1.6 billion dollars, were up 38%.

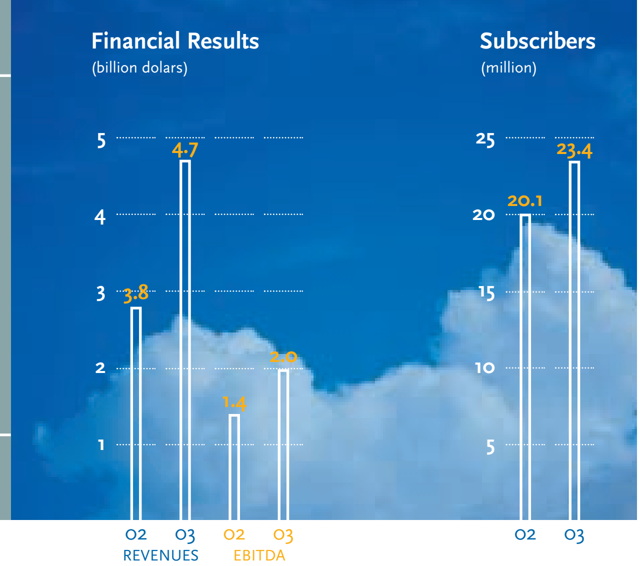
A comprehensive financing income of 189 million dollars was obtained in 2003, in contrast to the financing cost of 91 million observed in 2002. This difference is for the most part accounted for by foreign exchange variations: whereas in 2002 these resulted in losses of 136 million dollars, in 2003 a net gain of 121 million dollars was obtained.

América Móvil had a net profit of 1.4 billion dollars in 2003, more than trebling the one observed the previous year. It represented 18% of total revenues.

The acquisition of companies and of minority interests by América Móvil, which totaled 1.6 billion dollars in the year, were financed by the company's own cash flow. In addition to these outlays, the company's cash flow also covered the 1.2 billion dollars of direct investment paid by the company in 2003 and approximately 155 million dollars in share buy-backs and dividends. Net debt (including accrued interest) finished the year at 3.5 billion dollars, down approximately 100 million dollars from December 2002.

Mexico

- Telcel's net additions reach 3.4 million in 2003
- EBITA margin up 4.3 percentage points to 42.7%
- GSM coverage reaches approximately 400 cities by the end of 2003



The wireless market in Mexico, the second largest in Latin America both in terms of subscribers (after Brazil) and in terms of penetration (after Chile), reached a total of 30.1 million subscribers at the end of the year, representing an estimated wireless penetration of 29%. Telcel, América Móvil's Mexican subsidiary, continued leading the overall market with strong subscriber and traffic growth, brought about by important sales and marketing initiatives implemented over the period. The company's estimated market share ended the year at approximately 78%.

Telcel added 3.4 million subscribers in 2003, ending the year with a total of 23.4 million, with its GSM subscriber base accounting for approximately one sixth of the total. The net additions registered at Telcel came in somewhat higher than those of the previous year (3.1 million), reflecting an acceleration of the overall market growth in Mexico.

During 2003, Telcel increased the range of services it offers to its clients by introducing GSM-based services such as MMS (Multimedia Messaging), CSD (Circuit Switch Data), high-speed CSD and GPRS (General Packet Radio Service) for both, prepaid and postpaid customers. Likewise, the company expanded its selection of products complementary to its wireless services, including a larger array of state of the art handsets and accessories.

One of the most important strategies followed by Telcel in 2003 was continuing with the promotions put in place at the end of 2002 that, by giving out extra minutes, resulted in a reduction of the effective price per minute of airtime on its prepaid cards. These promotions had a major effect on usage, as the increase in traffic more than offset the price declines. As a result, the company's MOU rose from 67 minutes in 2002 to 81 minutes in 2003, with prepaid MOU leading the way with a 29% increase over the year.

Telcel's revenues in 2003 amounted to 4.7 billion dollars, a 24% increase compared to the same period a year before, with service revenues growing at nearly the same rate. The company's ARPU (average revenue per user)

In spite of the acceleration in the company's subscriber growth observed over the year, Telcel's revenue growth outpaced that of total costs by 1.6 times. As a result, the company's EBITDA was up 38% year on year, to 2.0 billion dollars, with operating profits reaching 1.6 billion dollars.

In January 2002 Telcel began to offer short message services (SMS) to its customers and by early 2003 it was already offering more advanced data services such as MMS (Multimedia Messaging) to its GSM clients, which have proven to be very popular with Telcel's subscribes.

At the end of 2003, Telcel's TDMA and GSM networks covered 35% of the geographical area of Mexico and 81% of its population, with GSM available in nearly 400 cities and 100 highway networks. The former is Mexico's largest wireless network and the latter the second largest, making Telcel the operator with the most extended coverage in the country.

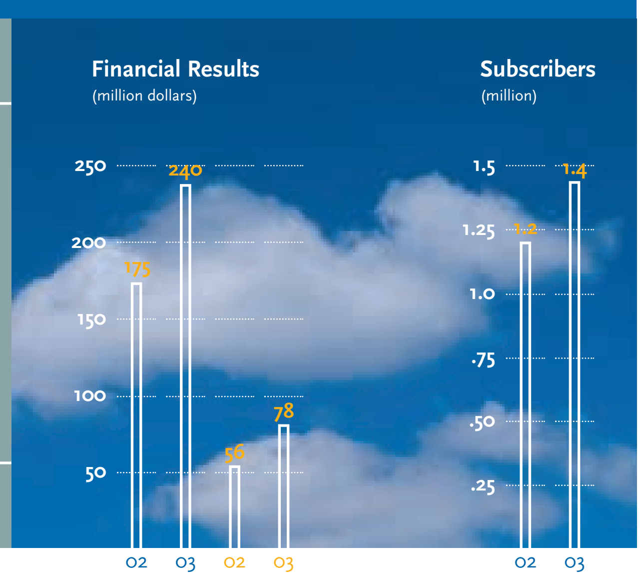
Telcel has invested both in expanding its network and in securing more capacity to accommodate the large inflow of new subscribers and the additional traffic that has resulted from the greater usage of the phone services by our clients. To this effect, in 2003 Telcel entered into a service agreement with Mexican wireless operator Unefon to acquire capacity services from them in the 1900 Mhz spectrum.

rose by 7% to 16 dollars per month, in spite of the reduction in the effective price of airtime, thanks to the good price elasticity of demand encountered. This was particularly noteworthy in the case of Telcel's prepaid ARPU, which has risen for seven consecutive quarters.

Argentina

OPERATING REVIEW

- América Móvil acquires 92% of CTI
- CTI ends the year with 1.4 million subscribers
- GSM services available at CTI



América Móvil entered the Argentinean market in 2003 through its acquisition of a 92% interest in wireless company CTI in October. CTI is the fourth largest operator in Argentina in terms of subscribers and it operates under the "CTI Móvil" brand.

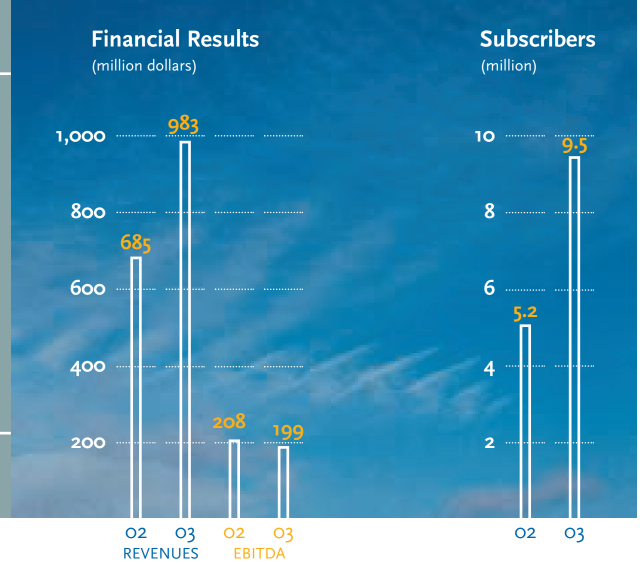
There are four operators in the Argentinean wireless market, which has a total of 7.3 million subscribers, for a penetration rate of approximately 19%. CTI has a market share of approximately 20%. In the last few years, the market actually contracted because of the economic crisis in the country. At the end of the year CTI had approximately 1.4 million subscribers, having gained 218 thousand clients in the period.

The company generated revenues of 240 million dollars and EBITDA of 78 million dollars. CTI was first consolidated in América Móvil in November 2003.

The capital investments that América Móvil is required to make in order to expand its coverage and improve its services and applications are being mostly directed to the build-out of a new GSM network in the country.

Brazil

- Telecom Americas' licensed population rises to 140 million people
- GSM services launched in all of its operations
- Local brands under new national brand *Claro*

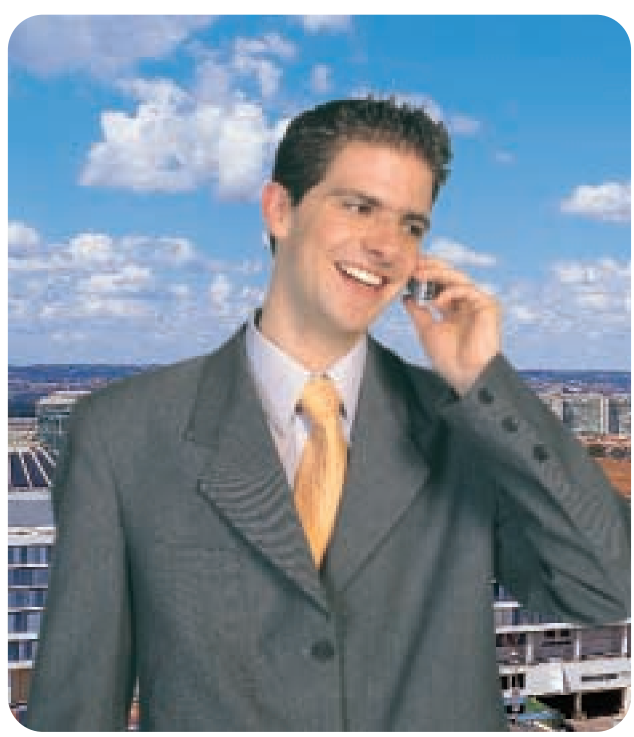


In 2003 there were important structural and regulatory changes that allowed for a greater consolidation, expansion, and development of the wireless companies in that country and which ultimately resulted in an acceleration of subscriber growth.

Among the most important changes observed in the Brazilian market stand out the migration of a certain number of companies to a new regulatory regime known as SMP (Serviço Móvel Pessoal) which permits centralizing and integrating various local operations under a single administration, systems and brand, thereby creating synergies akin to those of consolidation. This entailed new accounting rules and billing procedures; the integration and centralization of various operations; new commercial brands to be utilized nationwide that replaced various regional brands; and the introduction of a code that gives subscribers the possibility to choose the long distance operator they want to utilize.

The move to integrate local wireless companies into national or regional players was accompanied by major promotional campaigns, which helped to energize the market. As a result, the wireless penetration, approximately 20% in 2002, rose to approximately 27% in 2003, when the number of wireless subscribers in the country reached 46.0 million.

In the months of May and November Telecom Americas acquired 100% of the shares of both, Brazilian wireless company BSE, S.A. and BCP, S.A., respectively. The former operates in the states of Ceará, Piauí, Río Grande do Norte, Paraiba, Pernambuco and Alagoas and at the time of the closing had approximately one million



subscribers, whereas the latter operates in the metropolitan area of São Paulo with approximately 1.7 million subscribers when the operation closed. These transactions were essential for the business strategy of Telecom Americas, which under the new brand "Claro", came to be the second largest wireless operator in Brazil.

The companies that today make up Telecom Americas went through the process mentioned above. In February 2003 they initiated the migration of their operations to the SMP regime. A new brand, "Claro", was launched during the last months of 2003, unifying all of the companies' brands in the country. Through its strategy of consolidation, the company is able to offer ample network coverage and state of the art technology with high quality standards and commitment to its clients.

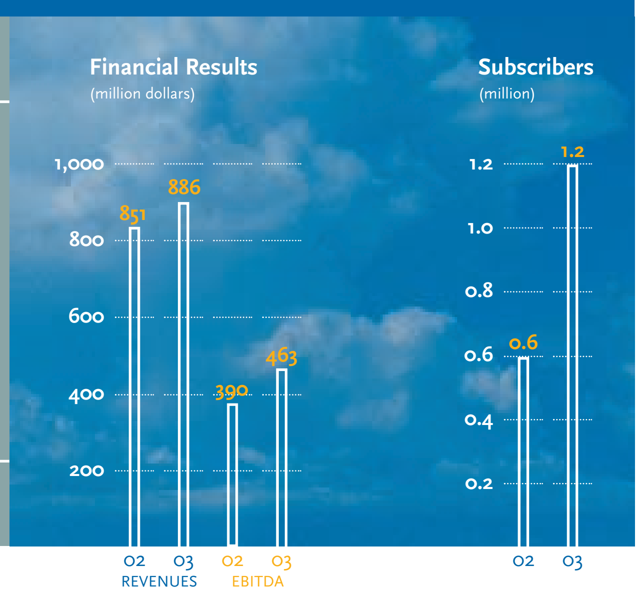
The Brazilian operations gained 4.3 million subscribers in 2003, including 2.7 million obtained through acquisitions. The companies' subscriber base ended 2003 with 9.5 million customers. Consolidated revenues reached 983 million dollars, 44% more than in 2002, whereas EBITDA totaled 199 million dollars, representing a margin of 20.3% that compares with 30.4% in 2002. The contraction in Telecom Americas' EBITDA margin is associated with extraordinary costs and expenses that the companies incurred in connection with the integration and launching of the new unified brand; the launching of GSM services in all operations; and the starting-up of operations in two new regions.

At the end of the year Telecom Americas' GSM coverage extended to approximately 490 cities and more than 4,500 kilometers of highways. In addition, it had approximately 5,400 points of sale. The distinction in quality of service and the increased capital investments in coverage and distribution will continue to strengthen América Móvil's operations in Brazil.

Central America

El Salvador, Guatemala and Nicaragua

- América Móvil consolidates its presence as the most important telecom player in the region
- América Móvil acquires 51% of CTE in El Salvador and 49% of Enitel in Nicaragua
- By the end of 2003 the companies had 1.2 million wireless clients and 1.6 million fixed lines



In 2003 América Móvil consolidated its position as the main telecom player in Central America with the purchase of a 51% interest in Compañía de Telecomunicaciones de El Salvador (CTE), a company that provides fixed-line and wireless services in that country. With this acquisition América Móvil now has operations in Guatemala, Nicaragua and El Salvador.

Telgua, in Guatemala, and CTE in El Salvador together had 1.6 million lines in service at the end of 2003. In addition to these operations, América Móvil now owns a 49% interest in Empresa Nicaragüense de Telecomunicaciones, S.A. (Enitel), having acquired from the Nicaraguan government its ownership interest in the company in a transaction agreed to last December.

The Central American countries where América Móvil operates finished the year with wireless penetration levels ranging from 8.4% in Nicaragua to 16.2% in Guatemala, and a combined licensed population of 24 million people.

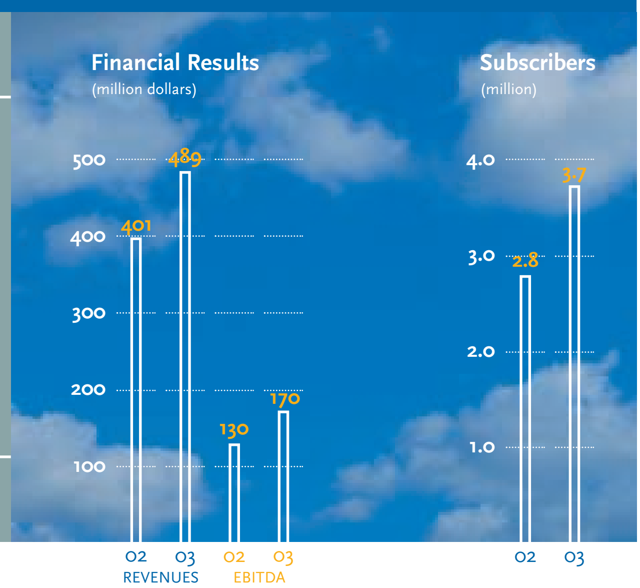
The Central American operations' combined wireless subscriber base reached 1.2 million customers at the end of the year, 553 thousand more than at December 2002. This number includes 168 thousand subscribers obtained through the acquisition of CTE. Combined revenues in Central America amounted to 886 million dollars, which coupled with strict cost control policies helped bring about an EBITDA of 463 million dollars, 52.3% relative to revenues.

The investments made in the year were directed towards the expansion of the GSM networks in El Salvador and Nicaragua and the roll out of a new GSM network in Guatemala.

Colombia

OPERATING REVIEW

- América Móvil completes nationwide footprint in Colombia
- Total revenues reach 489 million dollars, up 22%
- GSM coverage matches existing TDMA coverage by the end of the year



Two main issues characterized the wireless market in Colombia in 2003: the launching of new technologies by the operators and the entrance of the new PCS operator.

At the end of the year the total number of subscribers in the country rose to 6.2 million, an estimated penetration of 14%.

An important element of the growth observed at América Móvil's operations in Colombia was the acquisition of Celcaribe, a wireless company that operates in the Caribbean region and the Atlantic coast of that country.

This acquisition allowed América Móvil to complete its nationwide footprint in Colombia and to consolidate its presence as the largest wireless company in the country.

The subscriber base ended the year at 3.7 million clients, 853 thousand more than at the end of 2002, with 217 thousand of those coming from the incorporation of Celcaribe.

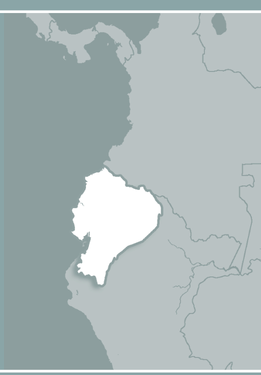
The company's organic growth and the consolidation of Celcaribe beginning in February, led Comcel's consolidated revenues to reach 489 million dollars in 2003, an increase of 22% year on year.

EBITDA rose to 170 million dollars, and represented a 34.7% margin relative to revenues.

Comcel's efforts to expand the coverage, capacity and quality of its network, were synthesized in the roll out of its new GSM network, which covers approximately 370 cities, where 67% of the country's population is located.

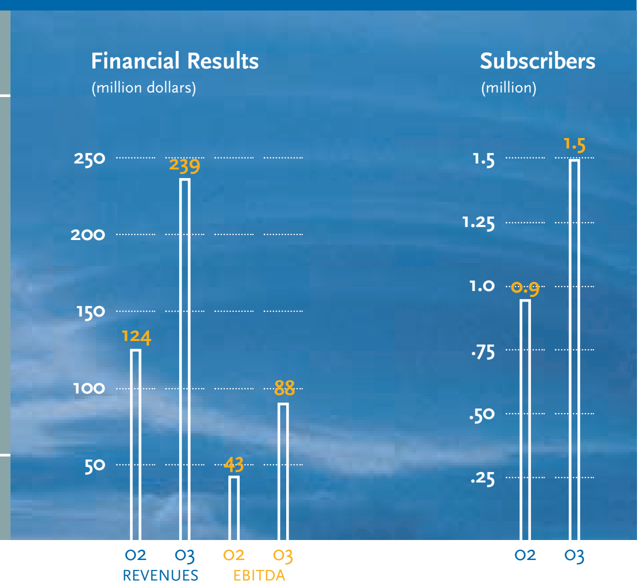
Ecuador

OPERATING REVIEW



PORTA

- Revenues almost doubled year on year
- Subscriber base increases by 67% to 1.5 million
- GSM services launched covering over 80% of the population



The Ecuadorian wireless market, where Conecel operates under the "Porta" brand, ended the year with a penetration rate of approximately 19% in a country with an estimated population of 12.6 million inhabitants. In 2003 the number of cellular companies increased to three, with Conecel being the largest one in terms of subscribers, with more than 1.5 million clients. The more dynamic amongst América Móvil's subsidiaries in 2003 in terms of the rate of subscriber growth, it added 614 thousand subscribers in the year, for an increase of 67% with respect to 2002.

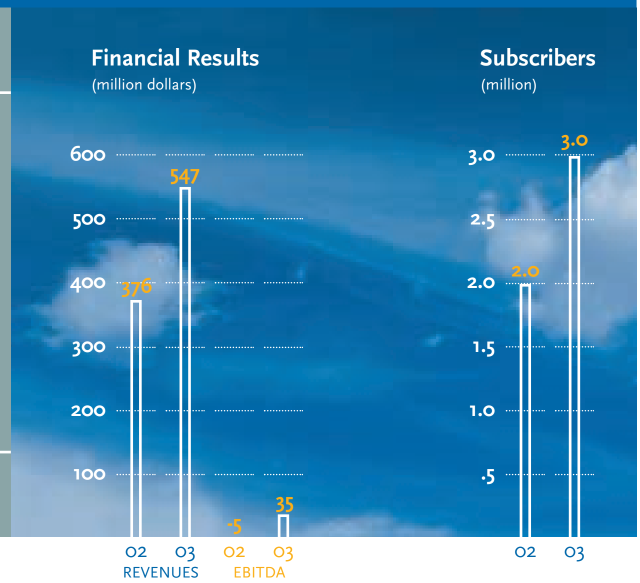
Revenues in 2003 totaled 239 million dollars and were nearly double the previous year's. The company's EBITDA more than doubled, to 88 million dollars, and was equivalent to 36.8% of revenues.

Over the course of the year, Conecel carried out a large investment program that allowed for the deployment of a GSM network, which now has the same coverage as that of its TDMA network.

América Móvil acquired in 2003 the remaining 20% interest still owned by minority investors.

United States

- Susbcriber growth of over 50% year on year
- Tracfone turns in its first operating profit
- Tracfone named electronic vendor of the year by Wal-Mart



In 2003 TracFone Wireless, Inc., América Móvil's subsidiary in the United States, continued to be a leader in the sector of prepaid wireless telephony in the U.S., finishing the year as the largest mobile virtual network operator in the country and one of the ten largest operators in terms of subscribers.

The subscriber growth registered in the year was over 50%, taking its subscriber base to nearly three million subscribers at the end of December.

TracFone's revenues increased 46% in 2003, to 547 million dollars. Its EBITDA came in at 35 million dollars. For the first time, it turned in an operating profit (18 million dollars).

The improvement in the company's operating results, obtained in spite of a more competitive market and an uncertain economic situation, was a result of innovative and aggressive sales and marketing initiatives as well as significant improvements in customer retention—which significantly reduced churn—lower call-center operating costs, and strict company-wide expense controls. In recognition of exemplary customer service and vendor performance, Wal-Mart, named TracFone the electronics vendor of the year.

Board Members

Carlos Slim Helú
Chairman and Member of the Executive Committe.
Principal occupation: Honorary Chairman of the Board of Directors of Grupo Carso, S.A. de C.V.

Daniel Hajj Aboumrad
Director and Member of the Executive Committee.
*Principal occupation:*Chief Executive Officer of América Móvil.

Jaime Chico Pardo
Director.
Principal occupation: Chief Executive Officer of Telmex.

Alejandro Soberón Kuri
Director and Chairman of the Audit Committee.
Principal occupation: Chairman and Chief Executive Officer of Corporación Interamericana de Entretenimiento, S.A. de C.V.

María Asunción Aramburuzabala Larregui
Director and Member of the Audit Committee.
Principal occupation: Chief Executive Officer of Tresalia Capital.

Rafael Robles Miaja
Director and Corporate Secretary.
Principal occupation: Partner, Franck, Galicia y Robles, S.C.

Jonathan P. Klug
Director.
Principal occupation: Vice-President Finance of SBC International, Inc.

James W. Callaway
Director and Member of the Executive Committee.
Principal occupation: Group President of SBC Communications, Inc.

Claudio X. González Laporte
Director and Member of the Compensation Committee.
Principal occupation: Chief Executive Officer of Kimberly Clark de Mexico, S.A. de C.V.

David Ibarra Muñoz
Director and Member of the Audit Committee.
Principal occupation: Director of Grupo Financiero Inbursa, S.A. de C.V.

Agustín Aguilar Laurents
Statutory Auditor.
Principal occupation: Partner Mancera, Ernst & Young.

Francisco Álvarez del Campo
Alternate Auditor.
Principal occupation: Partner Mancera, Ernst & Young.

Directory

América Móvil

Daniel Hajj Aboumrad
Chief Executive Officer

Carlos José García Moreno Elizondo
Chief Financial Officer

Carlos Cárdenas Blázquez
Executive Director
Latin American Operations

Alejandro Cantú Jiménez
General Counsel

Telcel (Mexico)

Patricia Raquel Hevia Coto
Director of Operations

Salvador Cortés Gómez
Director of Operations

Fernando Ocampo Carapia
Chief Financial Officer

CTI (Argentina)

Héctor Masoero
Chairman

Víctor Sandoval
Chief Executive Officer

Carlos Stea
Chief Financial Officer

Telecom Americas (Brazil)

Carlos Henrique Moreira
Chief Executive Officer

Alfonso Gallardo Sosa
Chief Financial Officer

Luis Cosío Prior
Director of Operations

Rogelio Viesca Arrache
Director of Operations

Comcel (Colombia)

Adrián Hernández Urueta
Chief Executive Officer

Gerardo Muñoz Lozano
Chief Financial Officer

Conecel (Ecuador)

Carlos Hernán Centeno de los Santos
Chief Executive Officer

Marco Antonio Campos García
Chief Financial Officer

Tracfone (United States)

F.J. Pollak
Chief Executive Officer

Gustavo Blanco Villanueva
Executive Director

Telgua (Guatemala)

Reyes Sandoval Palma
Chief Executive Officer

José Cervantes Rivera
Chief Financial Officer

CTE (El Salvador)

Enrique Luna Roshardt
Chief Financial Officer

Sercom PCS (Nicaragua)

Ricardo Frías Ruiz
Director of Operations

A summary of the significant ways in which our corporate governance standards differ from those followed by domestic companies under New York Stock Exchange Listing Standards is available on our web site at http://www.americamovil.com.

Letter of the Audit Committee

Mexico City, Federal District as of February 25, 2004.
To the Board of Directors of América Móvil, S.A. de C.V.

Dear members of the Board:
Pursuant to paragraph Five of Article 14 Bis 3 of the Securities Market Law and the recommendations contained in the Best Corporate Practices Code (Código de Mejores Prácticas Corporativas), by the Audit Committee of América Móvil, S.A. de C.V. (the "Company"), by this means I inform you the activities carried out by the Audit Committee of the Company during the fiscal year ended on December 31, 2003.

The Management of the Company has the responsibility to issue the financial statements in accordance with the general accepted accounting principles in Mexico, prepare on time and form the financial information and any other information to be disclosed in the securities market and to implement internal controlling systems. To this respect, the Audit Committee has reviewed, on behalf of the Board of Directors, the consolidated and audited financial statements of the Company and its subsidiaries as of December 31, 2003. Such review included the analysis and approval of politics, procedures and accounting practices of the Company.

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

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

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

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

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

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

f) Review of the financial statements of the Company as of December 31, 2003, the auditors report, as well as the accounting politics used in the elaboration of the financial statements. After having reviewed the comments of the external auditors, which are responsible to express their opinion in connection with the financial statements and their conformity with the general accepted accounting principles in Mexico, it was suggested to the Board of Directors of the Company to approve the financial statements to be presented in the General Annual Ordinary Shareholders Meeting of the Company.

g) Review and analysis of several transactions with related parties.

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

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

Sincerely,

Alejandro Soberón Kuri
Chairman of the Audit Committee

Financial Summary

	2001	2002	2003	CAGR 2001-2003
OPERATING RESULTS				
Total Revenues	45,457	59,743	**85,941**	37.5%
Cost of Sales	19,497	25,382	**37,474**	38.6%
SG&A Expenses	12,233	12,733	**16,629**	16.6%
Impairment Charges	2,133	41	**0**	n.a.
EBITDA	11,595	21,627	**31,838**	65.7%
EBITDA Margin	25.5%	36.2%	**37.0%**	
Depreciation and Amortization	4,920	8,606	**13,878**	67.9%
Operating Income	6,674	13,021	**17,960**	64.0%
Operating Margin	14.7%	21.8%	**20.9%**	
Comprehensive Financing (Cost) Income, net	-665	-1,023	**2,123**	n.a.
Other Income (Loss), net	423	270	**-1,045**	n.a.
Income before Taxes and other	6,433	12,227	**19,039**	72.0%
Majority Interest	-910	4,784	**15,032**	n.a.
Minority Interest	-224	-140	**352**	n.a.
Net (Loss) Income	-1,134	4,644	**15,383**	n.a.
BALANCE SHEET DATA				
Cash and Cash Equivalents	13,656	11,023	**10,082**	-14.1%
Accounts Receivable, net	4,817	6,523	**11,415**	53.9%
Other Current Assets	6,276	4,662	**8,057**	13.3%
Property Plant and Equipment	43,934	62,994	**71,162**	27.3%
Total Assets	101,833	117,538	**149,979**	21.4%
Short Term Debt(1)	6,928	10,637	**12,108**	32.2%
Accounts Payable and Accrued Liabilities	10,495	11,376	**19,945**	37.9%
Other Current Liabilities	3,281	4,838	**7,731**	53.5%
Long Term Debt	16,674	37,399	**37,205**	49.4%
Other Long Term Liabilities	2,221	2,141	**3,778**	30.4%
Total Stockholder's Equity	62,233	51,146	**69,212**	5.5%

(1) Includes current portion of Long Term Debt

Consolidated Financial Statements

CONTENTS

Years ended December 31, 2003 and 2002

Report of Independent Auditors

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

We have audited the accompanying consolidated balance sheets of América Móvil, S.A. de C.V. and subsidiaries as of December 31, 2002 and 2003 and the related consolidated statements of operations, changes in stockholders' equity and changes in financial position for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of América Central Tel, S.A. and subsidiaries, which statements collectively account for 10% of total assets at December 31, 2002, and 10% and 8% of total operating revenues for the years ended December 31, 2001 and 2002, respectively, of the related consolidated amounts, as well as the financial statements of Telecom Américas, Ltd, in which the Company's equity in their net loss is stated at P. 3,660,197 in 2001. Those financial statements, presented in accordance with International Accounting Standards and accounting principles generally accepted in the United States of America, respectively, were examined by other independent auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the financial information utilized by Company's management (before conversion to accounting principles generally accepted in Mexico) of such subsidiaries and investees in the consolidated financial statements of América Móvil, S.A. de C.V. and subsidiaries, is based solely on the reports of the other independent auditors.

We conducted our audits in accordance with auditing standards generally accepted in Mexico and the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts (including the Company's conversion of the financial statements of América Central Tel, S.A. and Telecom Américas, Ltd, to accounting principles generally accepted in Mexico) and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of América Móvil, S.A. de C.V. and subsidiaries at December 31, 2002 and 2003, and the consolidated results of their operations, changes in stockholders' equity and changes in their financial position for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in Mexico, which differ in certain respects from those followed in the United States of América (see Note 23).

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

Francisco Alvarez del Campo

Mexico City, Mexico
February 23, 2004,
(except for Note 23 as to which the date is March 16, 2004)

Report of Statutory Auditor

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

In my capacity as statutory auditor and in compliance with Article 166 of the Mexican Corporations Act and the bylaws of América Móvil, S.A. de C.V., I am pleased to present my report on the financial statements for the year ended December 31, 2003, as submitted to you by the Board of Directors.

Among the auditing procedures applied, I personally attended, or in my absence the alternate statutory auditor, the stockholders' and the Board of Directors' meetings to which I was summoned. I reviewed, to the extent that I considered necessary in the circumstances, the unqualified report of the Company's independent auditors dated February 23, 2004, issued as a result of their audit of the financial statements made in accordance with auditing standards generally accepted in Mexico. Such financial statements are the responsibility of the Company's management.

In my opinion, based on my examination and the report of the other independent auditors mentioned in the preceding paragraph , the accounting and reporting policies and criteria observed by the Company in the preparation of the financial statements that are being presented to the stockholders are adequate and sufficient and were applied on a basis consistent with that of the prior year. Consequently, it is also my opinion that the above-mentioned financial statements present accurately, fairly and sufficiently, in all material respects, the financial position of América Móvil, S.A. de C.V. and subsidiaries at December 31, 2003, and the consolidated results of their operations, changes in their stockholders' equity and changes in their financial position for the year then ended, in conformity with accounting principles generally accepted in Mexico.

Agustín Aguilar
Statutory Auditor

Mexico City, Mexico
February 23, 2004

Consolidated Balance Sheets

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2003)

	Year ended December 31, 2002	2003	Millions of U.S. dollars 2003
ASSETS			
Current assets:			
Cash and cash equivalents	P. 9,512,980	**P. 9,287,162**	**$ 826**
Marketable securities (Note 3)	1,510,101	**794,873**	**71**
Accounts receivable, net (Note 4)	6,522,689	**11,414,686**	**1,016**
Related parties (Note 17)	609,398	**647,805**	**58**
Inventories, net (Note 5)	3,127,193	**5,229,256**	**465**
Prepaid expenses (Note 6)		**184,797**	**16**
Other current assets	925,554	**1,994,831**	**178**
Total current assets	22,207,915	**29,553,410**	**2,630**
Investments in affiliates and others (Note 10)	3,290,815	**2,548,599**	**227**
Plant, property and equipment, net (Note 7)	62,993,999	**71,161,642**	**6,333**
Prepaid expenses (Note 6)		**2,696,527**	**240**
Licenses, net (Note 8)	15,984,487	**25,807,951**	**2,297**
Trademarks (Note 9)	6,796,530	**7,884,781**	**702**
Goodwill, net (Note 10)	6,263,876	**8,028,349**	**715**
Other non current assets (Note 7)		**2,297,288**	**205**
Total assets	P. 117,537,622	**P. 149,978,547**	**$ 13,349**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt and current portion of long-term debt (Note 14)	P. 10,637,007	**P. 12,108,296**	**$ 1,078**
Accounts payable and accrued liabilities (Notes 12 and 13)	11,375,726	**19,944,699**	**1,775**
Taxes payable	1,921,075	**2,978,044**	**265**
Related parties (Note 17)	110,204	**129,523**	**12**
Deferred revenues	2,807,047	**4,623,301**	**411**
Total current liabilities	26,851,059	**39,783,863**	**3,541**
Long-term debt (Note 14)	37,399,435	**37,204,549**	**3,311**
Deferred taxes (Note 19)	2,140,691	**3,648,855**	**325**
Deferred credits	573	**129,409**	**12**
Total liabilities	66,391,758	**80,766,676**	**7,189**
Stockholders' equity (Note 18):			
Capital stock	31,193,176	**31,191,463**	**2,776**
Retained earnings:			
Prior years	29,948,037	**32,673,511**	**2,908**
Net income for the year	4,783,697	**15,031,636**	**1,338**
	34,731,734	**47,705,147**	**4,246**
Other accumulated comprehensive loss items	(16,003,808)	**(14,783,458)**	**(1,316)**
Total majority stockholders' equity	49,921,102	**64,113,152**	**5,706**
Minority interest	1,224,762	**5,098,719**	**454**
Total stockholders' equity	51,145,864	**69,211,871**	**6,160**
Total liabilities and stockholders' equity	P. 117,537,622	**P. 149,978,547**	**$ 13,349**

See accompanying notes.

Consolidated Statements of Operations

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2003, except for earnings per share)

	Year ended December 31, 2001	2002	2003	Millions of U.S. dollars 2003
Operating revenues:				
Services:				
Usage charges	P. 28,223,945	P. 32,855,080	**P. 48,849,771**	**$ 4,348**
Monthly rent	5,594,442	10,764,349	**11,639,345**	**1,036**
Long-distance	4,232,224	4,951,114	**7,385,984**	**657**
Other services	3,429,410	3,976,896	**5,996,308**	**534**
Sales of handsets and accessories	3,977,383	7,195,157	**12,069,564**	**1,074**
	45,457,404	59,742,596	**85,940,972**	**7,649**
Operating costs and expenses:				
Cost of sales	15,675,640	21,744,132	**33,572,259**	**2,988**
Cost of sales and services with related parties (Note 17)	3,821,476	3,637,594	**3,902,024**	**347**
Commercial, administrative and general	11,869,136	12,076,188	**16,099,680**	**1,433**
Commercial, administrative and general with related parties (Note 17)	363,824	657,215	**529,053**	**47**
Impairment of investments in affiliates (Note 10)	2,132,600	40,793		
Depreciation and amortization (Notes 7 to 10) (includes P. 3,690,186, P. 6,006,324 and P.10,295,050 for the years ended December 31 2001, 2002 and 2003, respectively not included in cost of sales)	4,920,248	8,606,263	**13,877,861**	**1,235**
	38,782,924	46,762,185	**67,980,877**	**6,050**
Operating income	6,674,480	12,980,411	**17,960,095**	**1,599**
Comprehensive financing (cost) income:				
Interest income	884,160	1,401,503	**2,382,557**	**212**
Interest expense	(1,138,433)	(2,439,159)	**(3,780,072)**	**(336)**
Interest (expense) income with related parties, net (Note 17)	(6,588)	(57,215)	**4,706**	
Exchange (loss) gain, net	(382,034)	(1,526,419)	**1,354,786**	**121**
Monetary (loss) gain	(817,611)	2,871,978	**2,350,798**	**209**
Other financing income (cost), net	795,609	(1,273,744)	**(189,395)**	**(17)**
	(664,897)	(1,023,056)	**2,123,380**	**189**
Other income (loss), net	423,211	270,064	**(1,044,944)**	**(93)**
Income before income tax and employee profit sharing	6,432,794	12,227,419	**19,038,531**	**1,695**
Provisions for:				
Income tax (Note 19)	3,290,281	3,211,308	**3,277,526**	**292**
Employee profit sharing	209,677	202,304	**247,938**	**22**
	3,499,958	3,413,612	**3,525,464**	**314**
Income before equity in results of affiliates	2,932,836	8,813,807	**15,513,067**	**1,381**
Equity in net results of affiliates	(4,066,886)	(4,169,755)	**(129,582)**	**(11)**
Net (loss) income	P. (1,134,050)	P. 4,644,052	**P. 15,383,485**	**$ 1,370**
Distribution of net (loss) income				
Majority interest	P. (910,023)	P. 4,783,697	**P. 15,031,636**	**$ 1,338**
Minority interest	(224,027)	(139,645)	**351,849**	**32**
Net (loss) income	P. (1,134,050)	P. 4,644,052	**P. 15,383,485**	**$ 1,370**
Weighted average of common shares outstanding (in million)	13,199	13,123	**12,912**	**12,912**
Net (loss) income earnings per share	P. (0.08)	P. 0.35	**P. 1.19**	**$ 0.10**

See accompanying notes.

Consolidated Statements of Changes in Stockholders' Equity

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2003)

			RETAINED
	CAPITAL STOCK	RESERVE FOR PURCHASE OF COMPANY'S OWN SHARES	LEGAL RESERVE
Balances at December 31, 2000	P. 31,223,515		P. 320,612
Increase in legal reserve			90,963
Increase in reserve for purchase of Company's own shares		P. 11,220,961	
Dividends paid			
Cash purchase of Company's own shares	(22,756)	(7,499,159)	
Comprehensive income:			
Net loss for the year			
Other comprehensive income:			
Effect of translation of foreign entities			
Results from holding nonmonetary assets			
Current year deferred income tax on stockholders' equity accounts			
Minority interest			
Comprehensive income:			
Balances at December 31, 2001	31,200,759	3,721,802	411,575
Dividends paid			
Cash purchase of Company's own shares	(7,583)	(2,184,416)	
Comprehensive income:			
Net income for the year			
Other comprehensive income:			
Effect of translation of foreign entities			
Results from holding nonmonetary assets			
Current year deferred income tax on stockholders' equity accounts			
Minority interest			
Comprehensive income:			
Balances at December 31, 2002	31,193,176	1,537,386	411,575
Cumulative effect of adoption of a new accounting principle (Note 2w)			
Excess of the book value over price paid to acquire minority interests			
Increase in reserve for purchase of Company's own shares		**5,122,000**	
Dividends paid			
Cash purchase of Company's own shares	**(1,713)**	**(973,756)**	
Comprehensive income:			
Net income for the year			
Other comprehensive income:			
Effect of translation of foreign entities			
Results from holding nonmonetary assets			
Current year deferred income tax on stockholders' equity accounts			
Minority interest			
Comprehensive income:			
Balances at December 31, 2003 (Note 18)	**P. 31,191,463**	**P. 5,685,630**	**P. 411,575**

See accompanying notes.

EARNINGS						
UNAPPROPRIATED	TOTAL	OTHER ACCUMULATED COMPREHENSIVE LOSS ITEMS	TOTAL MAJORITY STOCKHOLDERS' EQUITY	MINORITY INTEREST	COMPREHENSIVE (LOSS) INCOME	TOTAL STOCKHOLDERS' EQUITY
P. 41,461,633	P. 41,782,245	P. (296,469)	P. 72,709,291	P. 2,426,715		P. 75,136,006
(90,963)						
(11,220,961)						
(622,314)	(622,314)		(622,314)			(622,314)
	(7,499,159)		(7,521,915)			(7,521,915)
(910,023)	(910,023)		(910,023)	(224,027)	P. (1,134,050)	(1,134,050)
		(377,675)	(377,675)		(377,675)	(377,675)
		(2,214,161)	(2,214,161)		(2,214,161)	(2,214,161)
		348,223	348,223		348,223	348,223
				(1,380,845)		(1,380,845)
					P. (3,377,663)	
28,617,372	32,750,749	(2,540,082)	61,411,426	821,843		62,233,269
(618,296)	(618,296)		(618,296)			(618,296)
	(2,184,416)		(2,191,999)			(2,191,999)
4,783,697	4,783,697		4,783,697	(139,645)	P. 4,644,052	4,644,052
		(15,060,115)	(15,060,115)		(15,060,115)	(15,060,115)
		2,038,736	2,038,736		2,038,736	2,038,736
		(442,347)	(442,347)		(442,347)	(442,347)
				542,564		542,564
					P. (8,819,674)	
32,782,773	34,731,734	(16,003,808)	49,921,102	1,224,762		51,145,864
(112,074)	**(112,074)**		**(112,074)**		**P. (112,074)**	**(112,074)**
(178,478)	**(178,478)**		**(178,478)**			**(178,478)**
(5,122,000)						
(793,915)	**(793,915)**		**(793,915)**			**(793,915)**
	(973,756)		**(975,469)**			**(975,469)**
15,031,636	**15,031,636**		**15,031,636**	**351,849**	**15,383,485**	**15,383,485**
		6,991,002	**6,991,002**		**6,991,002**	**6,991,002**
		(5,711,524)	**(5,711,524)**		**(5,711,524)**	**(5,711,524)**
		(59,128)	**(59,128)**		**(59,128)**	**(59,128)**
				3,522,108		**3,522,108**
					P. 16,491,761	
P. 41,607,942	**P. 47,705,147**	**P. (14,783,458)**	**P. 64,113,152**	**P. 5,098,719**		**P.69,211,871**

Consolidated Statements of Changes in Financial Position

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2003)

	Year ended December 31, 2001	2002	2003	Millions of U.S. dollars 2003
Operating activities:				
Net (loss) income	P. (1,134,050)	P. 4,644,052	**P. 15,383,485**	**$ 1,370**
Add (deduct) items not requiring the use of resources:				
Depreciation	3,921,251	6,425,542	**9,726,756**	**866**
Amortization	998,997	2,180,721	**4,151,105**	**369**
Amortization of loss on sale and lease back			**134,042**	**12**
Amortization of prepaid expenses			**75,428**	**7**
Deferred income tax	(300,288)	(380,958)	**80,235**	**7**
Impairment in affiliates	2,132,600	40,793		
Equity in results of affiliates	4,066,886	4,169,755	**129,582**	**11**
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	191,477	(1,705,230)	**(4,891,997)**	**(435)**
Prepaid expenses	(48,053)	(234,534)	**(3,015,366)**	**(268)**
Inventories	321,057	618,315	**(2,102,063)**	**(187)**
Others			**(3,554,066)**	**(318)**
Increase (decrease) in:				
Accounts payable and accrued liabilities	(2,125,157)	880,604	**8,568,973**	**763**
Related parties	(561,683)	986,409	**(19,088)**	**(2)**
Deferred revenues and credits	341,516	1,164,845	**1,945,090**	**173**
Taxes payable	1,005,105	618,017	**2,425,770**	**216**
Resources provided by operating activities	8,809,658	19,408,331	**29,037,886**	**2,584**
Financing activities:				
New loans	21,974,690	41,850,901	**22,512,225**	**2,004**
Repayment of loans	(6,648,718)	(15,433,454)	**(19,959,537)**	**(1,776)**
Decrease in capital stock and retained earnings due to purchase of Company's own shares	(7,521,915)	(2,191,999)	**(975,469)**	**(87)**
Cash dividends paid	(622,314)	(618,296)	**(793,915)**	**(71)**
Effect of inflation and exchange rate differences on debt	(700,393)	(1,983,089)	**(1,276,286)**	**(114)**
Resources provided by (used in) financing activities	6,481,350	21,624,063	**(492,982)**	**(44)**
Investing activities:				
Investment in plant, property and equipment	(12,164,153)	(25,485,394)	**(22,359,571)**	**(1,991)**
Investment in subsidiaries and affiliated companies	(16,486,290)	823,587	**(2,112,067)**	**(188)**
Investment in marketable securities	(9,044,625)	9,368,493	**715,228**	**64**
Minority interest			**3,343,630**	**298**
Initial cash from companies acquired		1,561,893	**871,378**	**78**
Investments in trademarks		(6,796,530)	**(1,807,928)**	**(161)**
Investment in licenses	(290,710)	(13,768,788)	**(7,421,392)**	**(661)**
Resources used in investing activities	(37,985,778)	(34,296,739)	**(28,770,722)**	**(2,561)**
Net (decrease) increase in cash and cash equivalents	(22,694,770)	6,735,655	**(225,818)**	**(21)**
Cash and cash equivalents at beginning of the year	25,472,095	2,777,325	**9,512,980**	**847**
Cash and cash equivalents at end of the year	P. 2,777,325	P. 9,512,980	**P. 9,287,162**	**$ 826**

See accompanying notes.

Notes to Consolidated Financial Statements

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2003)

1. Description of Business and Operations

América Móvil, S.A. de C.V. and subsidiaries (collectively, the "Company" or América Móvil) is the leading provider of wireless communications services in Latin America. The Company was established in September 2000 in a spin-off from Teléfonos de México, S.A. de C.V. (Telmex).

América Móvil has subsidiaries and equity investments in affiliated companies in the telecommunications sector in Mexico, Guatemala, Nicaragua, El Salvador, Ecuador, Brazil, Argentina, Colombia and the United States. In Mexico, through its subsidiary Radiomóvil Dipsa, S.A. de C.V. which operates under the trademark "Telcel", América Móvil provides nationwide cellular telecommunications services.

At December 31, 2002 and 2003 América Móvil's equity interest in its principal subsidiaries and affiliated companies is as follows:

NAME OF COMPANY	LOCATION	EQUITY INTEREST AT DECEMBER 31, 2002	2003
Subsidiaries: (1)			
Sercotel, S.A. de C.V.	Mexico	100.0%	**100.0%**
Radiomóvil Dipsa, S.A. de C.V.	Mexico	100.0	**100.0**
TracFone Wireless, Inc.	USA	97.8	**98.2**
Telecom Américas, Ltd: (2)	Bermuda	96.5	**97.5**
ATL-Algar Telecom Leste, S.A.	Brazil	96.5	**97.5**
Americel, S.A.	Brazil	78.1	**96.0**
Telet, S.A.	Brazil	78.6	**96.5**
Tess, S.A.	Brazil	96.5	**97.5**
BSE, S.A.	Brazil		**97.5**
BCP, S.A.	Brazil		**97.5**
América Central Tel, S.A. (ACT): (3)	Guatemala	96.9	**100.0**
Telecomunicaciones de Guatemala, S.A. (TELGUA)	Guatemala	96.0	**98.8**
Newcotel, S.A.	Guatemala	96.0	**98.8**
Servicios de Comunicaciones Personales Inalámbricas, S.A., (Sercom)	Guatemala	96.0	**98.8**
Telglob, S.A.	Guatemala	96.0	**98.8**
Telefonía Publica de Guatemala, S.A. (Publitel)	Guatemala	96.0	**98.8**
Estel, LLC	Delaware		**100.0**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (CTE) **(4)**	El Salvador		**51.0**
CTE Telecom Personal , S.A. de C.V. (Personal)	El Salvador		**51.0**
Cablenet, S.A. de C.V. (Cablenet)	El Salvador		**51.0**
Telecomoda, S.A.de C.V. (Telecomoda)	El Salvador		**51.0**
Publicom, S.A. de C.V. (Publicom)	El Salvador		**51.0**
Comunicación Celular, S.A. (Comcel): (5)	Colombia	95.7	**95.67**
Occidente y Caribe Celular, S.A. (Occel)	Colombia	95.2	**93.4**
Celcaribe, S.A.	Colombia		**94.0**
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	80.6	**100.0**
Techtel-LMDS Comunicaciones Interactivas, S.A.	Argentina	60.0	**60.0**
CTI Holdings, S.A. (6)	Argentina		**92.0**
CTI Compañía de Teléfonos del Interior, S.A., (CTI Interior)	Argentina		**92.0**
CTI PCS, S.A. (CTI PCS)	Argentina		**92.0**
Affiliates: (1)			
Organización Recuperadora de Cartera, S.A. de C.V.	Mexico	45.0	**45.0**
US Commercial Corporation, S.A. de C.V.	Mexico		**29.7**
Génesis Telecom., S.A.	Venezuela	25.0	**25.0**
Iberbanda, S.A.	Spain	18.6	**17.8**
Network Access Solutions	USA	2.0	**2.0**
CompUSA, Inc.	USA	49.0	

(1) See Note 10 for a description of activity in subsidiaries and affiliates.
(2) The name "Telecom Américas" as used hereinafter will refer collectively to the companies ATL, Americel, Telet, Tess, BSE and BCP.
(3) Includes Nicaragua operations.
(4) The name "CTE" as used hereinafter will refer collectively to the companies CTE, Personal, Cablenet, Telecomoda and Multicom.
(5) The name "Comcel" as used hereinafter will refer collectively to the companies Comcel, Occel and Celcaribe.
(6) The name "CTI" as used hereinafter will refer collectively to the companies CTI Holdings, CTI Interior and CTI PCS.

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

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

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

Licenses awarded in Brazil, Colombia, Argentina and Ecuador generate the payment of contributions to their respective governments, based in some cases on revenues and in other cases on the number of channels in operation.

Telgua and CTE provide fixed-line telephone services.

TracFone Wireless, Inc. (TracFone) resells cellular airtime on a prepaid basis through retailers to customers who use telephones equipped with TracFone software. TracFone does not own a cellular infrastructure but purchases airtime from carriers throughout the United States. TracFone's revenues are also derived from the sale of cellular telephones and accessories. TracFone provides services throughout the United States, Puerto Rico and the Virgin Islands.

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

In February 2003, Telecom Américas switched its original Band B cellular concessions, from a mobile cellular communications system (SMC) to mobile access system (PCS). This change will allow these companies to exercise an option to extend the life of the licenses for an additional 15 years, upon payment of a certain fee.

2. Significant Accounting Policies

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

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

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

Minority interest relates to the Company's foreign subsidiaries.

b) Revenue recognition
The Company's revenues include: usage charges, monthly rent, incoming interconnection, long-distance charges, value added services and proceeds from sales of handsets and accessories and charges for other services.

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

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

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

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

Telgua and CTE´s revenues from telephone line installation fees are deferred and recognized over the expected period during which telephone services will be performed.

c) Cost of cellular telephone equipment

Costs related to cellular telephone equipment are charged to operations at the time the telephones are delivered to the distributor or customer.

d) Interconnection costs

Interconnection costs represent the costs of calls of other carriers that enter the Company's own cellular network, the costs of link-ups between fixed and cellular networks, long distance charges and rent paid for use of infrastructure (links and ports), all of which are recognized as costs at the time the service is received.

e) Commissions paid to distributors

Commissions paid to distributors for activations are charged to income at the time of activation of new customers, which corresponds to the time the distributor is paid. Commissions for loyalty and activation volumes are accrued based on factors determined by the Company.

f) Recognition of the effects of inflation

The Company recognizes the effects of inflation on financial information as required by Mexican accounting Bulletin B-10, Accounting Recognition of the Effects of Inflation on Financial Information, issued by the Mexican Institute of Public Accountants ("MIPA"). Consequently, the amounts shown in the accompanying financial statements and in these notes are expressed in thousands of constant Mexican pesos as of December 31, 2003. Accordingly, the financial statements have been restated as follows:

Plant, property and equipment and construction in progress were restated as described in Note 7. Depreciation is computed on the restated value of telephone plant and equipment using the straight-line method based on the estimated useful lives of the related assets, starting the month after the assets are put into use.

Annual depreciation rates are as follows:

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

In Mexico, inventories were restated based on factors derived from the Mexican National Consumer Price Index (NCPI) published by Banco de México. Due to the high turnover, it was estimated that inventories were presented at their replacement cost, which is not in excess of market value. Foreign subsidiaries recorded their inventories at replacement value, not in excess of market. Cost of sales represents estimated replacement cost at the time inventories were sold, restated in constant pesos at year-end.

Capital stock, retained earnings and other non-monetary assets were restated based on the NCPI.

Other accumulated comprehensive loss items include the deficit restatement of stockholders' equity, which consists of the accumulated monetary position gain determined at the time the provisions of Bulletin B-10 were first applied, which at December 31, 2003 aggregates P. 16,471, the result from holding non-monetary assets, which represents the net difference between restatement by the specific indexation method (see Note 7) and restatement based on the NCPI, deferred taxes allocated to equity, net of inflation and the effect of translation of foreign entities.

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

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

g) Basis of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries and affiliates, located in Guatemala, Nicaragua, El Salvador, Ecuador, Colombia, Argentina, Brazil and the United States, which in the aggregate account for approximately 22%, 29% and 39%

of the Company's total operating revenues in 2001, 2002 and 2003 and approximately 58% and 65% of the Company's total assets in 2002 and 2003, respectively, are translated into Mexican pesos in conformity with Mexican accounting Bulletin B-15 "Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations", issued by the MIPA, as follows:

- The financial statements as reported by the subsidiaries abroad were adjusted by management in Mexico to conform to Mexican GAAP, which includes, among other, the recognition of the effects of inflation as required by Mexican accounting Bulletin B-10 (as described above), using restatement factors of each country.
- The financial information already restated to include inflationary effects, is translated to Mexican pesos as follows: 1) all balance sheet amounts, except for stockholders' equity accounts, were translated at the prevailing exchange rate at year-end; 2) stockholders' equity accounts were translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated, 3) statement of operations accounts were translated at the exchange rate at the end of the reporting period.
- Exchange rate differences and the monetary effect derived from intercompany monetary items were not eliminated in the consolidated statements of operations.

At December 31, 2001, 2002 and 2003, translation (loss) income aggregated P. (377,675), P. (15,060,115) and P. 6,991,002, respectively, and is included in stockholders' equity under the caption other accumulated comprehensive loss items, effect of translation of foreign entities.

The Company's financial statements at December 31, 2001 and 2002, were restated to constant Mexican pesos with purchasing power at December 31, 2003 based on the annual rate of inflation in Mexico. The effects of inflation and variances in exchange rates were not material.

h) Cash, cash equivalents and marketable securities
Cash and cash equivalents are represented principally by bank deposits and highly liquid investments with maturities of three months or less; and marketable securities are represented by equity securities and foreign government bonds held for trading purposes. Both are valued at market.

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

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

k) Trademarks
Trademarks were recorded at their market values at the date acquired, as determined by independent expert using the discounted cash-flow techniques and are amortized using the straight-line method over their estimated useful lives. Trademarks relate principally to subsidiaries over which the Company acquired control in 2002 and 2003. (See Note 9)

l) Equity investments in affiliates
The investment in shares of affiliates in which the Company has significant influence and holds an equity interest of 10% or more is accounted for using the equity method. This accounting method consists basically of recognizing the investor's equity interest in the results of operations and the stockholders equity of the investees at the time such results are determined. (See Note 10)

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

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

o) Employee benefits obligations
The cost of seniority premiums, where applicable, is recognized during the years of service of employees based on actuarial computations made by independent actuaries using the projected unit -credit method and financial hypotheses net of inflation, as required by Mexican accounting Bulletin D-3, Labor obligations issued by the MIPA (See Note 12). Termination payments are charged to income in the year in which the decision to dismiss an employee is made.

p) Income tax and employee profit sharing
Bulletin D-4, Accounting for Income Tax, Asset Tax and Employee Profit Sharing, issued by the MIPA, requires that deferred taxes be determined on virtually all temporary differences in balance sheet accounts for financial and tax reporting purposes, using the enacted income tax rate at the time the financial statements are issued. Accordingly, the provision for income tax includes both the current year tax and the deferred portion. See Note 19 for additional information.

In conformity with Bulletin D-4, deferred employee profit sharing is recognized only on temporary differences that are considered to be non-recurring and that have a known turnaround time.

q) Advertising
All advertising costs are expensed as incurred. Advertising expense amounted to approximately, P. 1,892,861, P. 1,544,918 and P. 2,627,498, for the years ended December 31, 2001, 2002 and 2003, respectively.

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

s) Earnings per share
The Company determined earnings per share by dividing net income by the average weighted number of shares issued and outstanding during the period, as specified in Mexican accounting Bulletin B-14, Earnings per share, issued by the MIPA. To determine the weighted average number of shares issued and outstanding in 2001, 2002 and 2003, the number of shares held by the Company have been excluded from the computation.

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

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

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

Approximately 67%, 56% and 34% of the Company's aggregate interconnection expenditures in its cellular network for the years ended December 31, 2001, 2002 and 2003, respectively, represented services rendered from one supplier; approximately 85%, 75% and 75% of the aggregate cost of telephone equipment for such periods represented purchases from three suppliers; and approximately 90%, 90% and 65% of telephone plant purchases were made from two suppliers.

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

v) Financial instruments
The Company follows the requirements of Bulletin C-2, Financial Instruments, issued by the MIPA, which, establishes the rules to be observed by issuers of and investors in financial instruments when valuing, presenting and disclosing these instruments in their financial information. Bulletin C-2 requires that financial instruments (derivatives) be recognized as assets and liabilities and that the determined gains and losses on such instruments be credited and charged, respectively, to income.

With the aim of reducing its financing costs, the Company uses derivatives such as interest-rate swaps and cross currency swaps. Those instruments have been recorded at their market value, and changes in the market value have been taken to income.

w) Recent pronouncements
Intangible Assets.- Effective January 1, 2003, the Company adopted the requirements of Mexican accounting Bulletin C-8, Intangible Assets issued by the MIPA, which, among other things, specifies that project development costs are to be capitalized if they meet certain established requirements with respect to their recognition as assets. Pre-operating costs are to be recognized as an expense of the period and intangible assets with indefinite useful lives are not to be amortized, but instead evaluated annually for impairment. Unamortized balances of pre-operating expenses capitalized in terms of the previous Bulletin C-8 are to be amortized as specified in such bulletin. The adoption of these new rules did not have any effect on the Company's financial statements.

Liabilities, Provisions, Contingent Assets and Liabilities and Commitments.- Effective January 1, 2003, the Company also adopted the requirements of Mexican accounting Bulletin C-9, Liabilities, Provisions, Contingent Assets and Liabilities and Commitments, issued by the MIPA which is more precise in defining provisions, accrued liabilities and contingent liabilities, and it contains new requirements with respect to the recording of provisions, the use of the present value and the early retirement of debt securities or their replacement by a new issues. Bulletin C-9 also specifies the rules for the valuation, presentation and disclosure of liabilities and provisions.

As a result of the application of Bulletin C-9, the Company recorded a provision at present value of P. 155,830 for costs related to retirement of assets. The amount of such provision was estimated using prevailing prices in each country in which, the Company operates. The initial effect of the application of this new accounting pronouncement represented an adjustment of P. 112,074 to the balance of retained earnings at the beginning of the year.

Rates used to discount the provision to present value were computed by each subsidiary considering, among other factors, the economic situation of their respective countries (country risk), cost of debt and free rate risk.

Accounting for the Impairment or Disposal of Long-Lived Assets.- In March 2003, the MIPA issued Bulletin C-15, Accounting for the Impairment or Disposal of Long-Lived Assets, the observance of which is compulsory for fiscal years beginning on or after January 1, 2004. Bulletin C-15 defines the rules for the computation and recognition of asset impairment losses and their reversal, as well as for the presentation and disclosure of both assets whose values have been impaired and of discontinued operations. The Company early adopted this new Bulletin in 2003. Adoption of this guideline did not affect the Company's earnings or financial position.

x) Convenience translation

U.S dollar amounts as of December 31, 2003 shown in the financial statements have been included solely for the convenience of the reader and are translated from pesos with purchasing power as of December 31, 2003, as a matter of mathematical computation only, at an exchange rate of P.11.24 to US$ 1.00, the December 31, 2003 exchange rate. Such translations should not be construed as a representation that the peso amounts have been or could be converted into U.S. dollars at this or any other rate.

y) Reclassifications

Some amounts shown in the 2001 and 2002 financial statements have been reclassified for uniformity of presentation with 2003.

3. Marketable Securities

A summary of marketable securities as of December 31, 2002 and 2003 is as follows:

	2002		2003	
	COST	FAIR VALUE	**COST**	**FAIR VALUE**
Government bonds	P. 1,214,202	P. 1,297,051	**P. 355,439**	**P. 371,221**
Equity securities	481,700	213,050	**469,674**	**423,652**
	P. 1,695,902	P. 1,510,101	**P. 825,113**	**P. 794,873**

At December 31, 2001, 2002 and 2003, net unrealized gains (losses) on marketable securities were P. 411,210, P. (185,801) and P. (30,240), respectively. Net realized gains were P. 274,198, P. 299,771 and P. 487,244, in 2001, 2002 and 2003, respectively.

4. Accounts Receivable

Accounts receivable consists of the following:

	2002	2003
Subscribers	P. 3,114,416	**P. 8,746,157**
Retailers	2,602,069	**1,571,312**
Cellular operators for interconnections	407,027	**949,935**
Recoverable taxes	361,366	**1,178,713**
Other	478,446	**848,984**
	6,963,324	**13,295,101**
Less: Allowance for doubtful accounts	(440,635)	**(1,880,415)**
Total	P. 6,522,689	**P. 11,414,686**

Activity in the allowance for doubtful accounts for the years ended December 31, 2001, 2002 and 2003 was as follows:

	2001	2002	**2003**
Opening balance as of December 31	P. (373,970)	P. (156,789)	**P. (440,635)**
Increases charged to costs and expenses	(154,063)	(668,723)	**(855,969)**
Effect of acquired companies			**(1,252,315)**
Decreases to reserve for write-offs	371,244	384,877	**668,504**
Ending balance	P. (156,789)	P. (440,635)	**P. (1,880,415)**

5. Inventories

Inventories consist of the following:

	2002	**2003**
Cellular telephones and accessories	P. 3,160,505	**P. 5,427,107**
Less:		
Reserve for obsolete inventory	(33,312)	**(197,851)**
Net	P. 3,127,193	**P. 5,229,256**

6. Prepaid Expenses

In September 2003, Telcel entered into an agreement with Operadora Unefon, S.A. de C.V., whereby the latter agrees to provide Telcel exclusive and uninterrupted access to a nationwide wireless network using the 1850-1865 MHz / 1930-1945 MHz (Band "A") radio spectrum, for a 16-year period. Under the terms of the agreement, Telcel paid in advance a total consideration of P. 2,925 million (US$ 267.7 million) that represented the present value of the amounts due over the term of the contract and which is being amortized using the straight-line method over a 16-year period.

Current portion of prepaid expenses amounts to P.184,797 and long-term portion of prepaid expense amounts to P.2,696,527.

7. Plant, Property and Equipment

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

	2002	**2003**
Telephone plant and equipment	P. 67,846,718	**P. 83,725,347**
Land and buildings	7,030,549	**7,050,009**
Other assets	12,017,029	**14,832,107**
	86,894,296	**105,607,463**
Accumulated depreciation	(28,921,225)	**(40,909,625)**
Net	57,973,071	**64,697,838**
Construction in progress and advances to equipment suppliers	4,011,815	**5,557,136**
Inventories for use in construction of the telephone plant	1,009,113	**906,668**
Total	P. 62,993,999	**P. 71,161,642**

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

	2002	2003
Assets under capital leases	P. 45,082	**P. 1,022,071**
Accumulated depreciation	(44,033)	**(60,853)**
	P. 1,049	**P. 961,218**

c) In 2003, Telcel entered into a three year P. 950 million sale and lease back agreement of a portion of its telephone plant with an unrelated party. This transaction gave rise to a loss of approximately P. 2,784 million, which in conformity with Mexican accounting Bulletin D-5, Leases, issued by the MIPA, was deferred and is being amortized based on the remaining useful life of the asset. The Company recorded the telephone plant under the sale and leaseback agreement as a capital lease and the corresponding liabilities are represented by minimum future payments (see Note 16). Derived from the transaction mentioned above, the Company also recorded a deferred tax liability of approximately P. 889 million.

Current portion of the deferred charge amounts to P. 397,250 and was included under the caption other current assets and long-term portion of the deferred charge amounts to P. 2,297,288.

d) Depreciation expense for the years ended December 31, 2001, 2002 and 2003 was P. 3,921,251, P. 6,425,542 and P. 9,726,756, respectively.

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

Effective January 1, 1997, Bulletin B-10 eliminated the use of appraisals to present telephone plant, property and equipment in the financial statements. At December 31, 2002 and 2003 this caption was restated as follows:

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

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

At December 31, 2003, approximately 89% of the value of the telephone plant, property and equipment (74% in 2002) has been restated using specific indexation factors.

f) Following are the plant, property and equipment amounts at December 31, 2002 and 2003, restated on the basis of the 2003 NCPI (starting with the appraised values at December 31, 1996), to meet NBSC disclosure requirements with respect to the restatement of fixed assets based on specific indexation factors:

		2002		**2003**
Telephone plant and equipment	P.	69,698,860	**P.**	**93,511,069**
Land and buildings		6,261,525		**6,242,065**
Other assets		12,045,286		**14,785,466**
		88,005,671		**114,538,600**
Accumulated depreciation		(28,887,367)		**(44,109,760)**
Net		59,118,304		**70,428,840**
Construction in progress and advances to equipment suppliers		4,011,815		**5,557,136**
Inventories for use in construction of the telephone plant		1,009,113		**906,668**
Total	P.	64,139,232	**P.**	**76,892,644**

8. Licenses

As of December 31, 2002 and 2003 licenses are as follows:

		2002		**2003**
Investment:				
Opening balance as of December 31	P.	2,719,221	**P.**	**16,488,010**
Effect of acquired companies		13,768,789		**8,142,931**
Effect of translation of foreign entities				**5,204,148**
Cancellation				**(1,479,999)**
Other increases				**758,460**
		16,488,010		**29,113,550**
Amortization:				
Opening balance as of December 31				**(503,523)**
Amortization of the year		(503,523)		**(2,333,703)**
Effect of translation of foreign entities				**(468,373)**
		(503,523)		**(3,305,599)**
Ending balance, net	P.	15,984,487	**P.**	**25,807,951**

Amortization expense for the year ended December 31, 2001 was P. 306,118.

9. Trademarks

As of December 31, 2002 and 2003 trademarks are as follows:

		2002		**2003**
Investment:				
Opening balance as of December 31			**P.**	**6,796,530**
Effect of acquired companies	P.	6,796,530		**1,807,928**
		6,796,530		**8,604,458**
Amortization:				
Opening balance as of December 31				
Amortization of the year				**(719,677)**
				(719,677)
Ending balance, net	P.	6,796,530	**P.**	**7,884,781**

10. Investments

An analysis at December 31, 2002 and 2003 is as follows:

		2002		**2003**
Investments in:				
Affiliates	P.	2,910,623	**P.**	**2,192,355**
Other investments		380,192		**356,244**
Total	P.	3,290,815	**P.**	**2,548,599**

I. Investments in affiliates
An analysis of equity investments in affiliated companies at December 31, 2002 and 2003, and a brief description of major acquisitions is as follows:

		2002		**2003**
CompUSA, Inc.	P.	2,434,589		
Organización Recuperadora de Cartera S.A. de C.V. (ORCA)		476,034	**P.**	**425,355**
US Commercial Corporation, S.A. de C.V.				**1,767,000**
Total	P.	2,910,623	**P.**	**2,192,355**

CompUSA
In December 2003, the Company exchanged its 49% equity interest in CompUSA for a 29.69% equity interest in U.S. Commercial Corp, S.A. de C.V., ("USCO"). The Company received an additional P. 180 million on the exchange.

At the time of the sale, the affiliate's book value was P. 2,226,016, and based on the amounts of the transaction described in the preceding paragraph, a loss of P. 279,016, was included as part of the caption other income (loss), net.

In January 2004, the Company changed the classification of its investment in USCO from equity investee to available for sale.

The Company's equity in the net loss of CompUSA at December 31, 2002 includes an impairment on its goodwill of P.2,137,216, which is included under equity in net results of affiliates in the statement of operations.

SBC International Puerto Rico
In January 2002, the Company sold its 50% equity interest in SBC International Puerto Rico, Inc. to SBC International, Inc. (SBCI) in US$ 106 million in cash and its 11.9% equity interest in Telecom Américas. A gain of P. 11,218 was recognized as a result of this transaction, which is, included under the caption other income (loss), net in the statement of operations.

Empresas Cablevisión
In April 2002, the Company sold its 49% equity interest in Empresas Cablevisión, S.A. de C.V. and subsidiaries in a public offering through the Mexican Stock Exchange for P. 2,065,974 , realizing a gain of P. 1,334,070 on the sale, which is included under the caption other income (loss), net in the statement of operations.

Other
At December 31, 2001 and 2002, the Company charged P. 2,132,600 and P. 40,793, respectively, to results of operations for the impairment in the value of non-strategic affiliates ARBROS Communications, Inc, Iberbanda, Network Access and Armillaire in 2001 and Eurotec, S.A. in 2002.

The equity in the 2001 net loss of Telecom Américas includes an impairment to the value of this company's subsidiaries in the amount of P. 1,283,910, which is presented under equity in net results of affiliates in the statement of operations.

II. Investments in subsidiaries
An analysis of the Company most important equity investments in subsidiaries is as follows:

As explained in detail in subsequent paragraphs, during 2003 and 2002, the Company made several acquisitions. The results of operations of the acquired entities were incorporated into the Company's financial statements in the month following the acquisition date.

2003 Acquisitions
All of the Company acquisitions were recorded using the purchase method. The purchase prices of net acquired assets were allocated based on their estimated market values, as follows:

	HISTORICAL AMOUNTS AT ACQUISITION DATE IN THOUSANDS OF US DOLLARS					
	CELCARIBE	BSE	CTE	CTI	BCP	TOTAL
Current Assets	$ 13,795	$ 36,550	$ 168,503	$ 110,469	$ 114,829	$ 444,146
Fixed assets	17,696	112,714	409,011	93,331	152,713	785,465
Licences	82,205	101,602	23,640	55,271	494,417	757,135
Trademarks			93,666	90,336		184,002
Other asstes			25,055	2,859	5,792	33,706
Less:						
Current liabilities	13,408	38,980	173,420	71,186	106,947	403,941
Long term debt		2,000	51,250	40,298	17,435	110,983
Fair value of net assets acquired	$ 100,288	$ 209,886	$ 495,205	$ 240,782	$ 643,369	$ 1,689,530
% participation acquired	98.08%	97.55%	51.00%	92.00%	100.00%	
Net assets acquired	98,362	204,744	252,055	221,519	643,369	1,420,049
Amount paid	98,362	204,744	417,000	221,519	643,369	1,584,994
Goodwill generated	$	$	$ 164,945	$	$	$ 164,945

Through appraisals made by independent experts, the Company determined the fair value of Trademarks. The Company made estimations in order to determine the fair value of licenses, based on market values of licenses with similar characteristics.

a) CELCARIBE (Colombia)
In February 2003, the Company, through Comcel, acquired from Millicom Cellular International a 98.08% equity interest in Celcaribe, S.A. for approximately US$ 98.3 million. As a result, América Móvil has expanded its capacity to provide services throughout Colombia. Celcaribe provides in addition to cellular services, data transmission, internet and short-message services.

b) BSE (Brazil)
In May 2003, the Company, through Telecom Américas, acquired from BellSouth Corporation and Verbier a 89.45% equity interest in BSE, S.A., for approximately US$ 180 million. Through additional capitalization in May 2003, of approximately US$25 million the Company increased its equity interest in BSE to 97.55%. BSE provides cellular telecommunications services to approximately one million subscribers in the Ceará, Piauí, Río Grande do Norte, Paraiba, Pernambuco and Alagoas states in Brazil.

c) CTE (El Salvador)
In October 2003, América Móvil acquired from France Telecom and other investors a 51% equity interest in Compañía de Telecomunicaciones de El Salvador (CTE), for approximately US$ 417 million. CTE provides fixed mobile and other telecommunications services in El Salvador and has approximately 700 thousand fixed line subscribers and 166 thousand cellular subscribers.

d) CTI (Argentina)
As a result of the October 2003 debt restructuring agreement in CTI Holdings, S.A. ("CTI"), the controlling company of CTI PCS, S.A. ("CTI PCS") and CTI Compañía de Teléfonos del Interior, S.A. (Interior), América Móvil acquired a 64% equity interest in such companies. In November 2003, América Móvil increased such equity interest to 92% by purchasing additional shares from various minority stockholders. The total purchase price was US$ 221.5 million. The remaining 8%

interest in CTI is owned by Techint Compañía Técnica Internacional S.A.C.I., or Techint Group, which, has the right to require the Company to purchase all of their interest in CTI for US$17.1 million at any time during the two years following the completion of the restructuring of CTI's unsecured indebtedness. América Móvil has the right to require the Techint Group to sell their interest in CTI at any time during such period for US$18.8 million. CTI provides nationwide PCS wireless services in Argentina.

At the time of the acquisition, CTI had US$263 million in principal amount of senior notes due 2008, which were in default. These notes are subject to an out-of-court reorganization agreement (acuerdo preventivo extrajudicial "APE") in Argentina, which was approved by the court in December 2003. Pursuant to this agreement, the notes will be cancelled in exchange for an aggregate cash payment of approximately US$37.1 million. The judgment approving the APE has been challenged by a creditor of one of CTI's operating subsidiaries. The Company believes the appeal has no merit. In February 2004, the judge allowed the appeal to proceed but did not suspend the effect of his order approving the APE. Accordingly, The Company decided to make payment under the APE, and expects to make this payment on March 1, 2004. If the appeal were successful, CTI's obligations under the notes would be reinstated. As of the date of this report only US$43.5 million in principal amount of the notes remain outstanding in the hands of third parties.

e) BCP (Brazil)
In November 2003, the Company, through Telecom Américas acquired from certain lenders to BCP, which had acquired the shares previously formerly held by affiliates of Bell South Corporation, the Safra Family and local minority investors, a 100% equity interest in BCP, S.A., for approximately US$ 643.3 million. BCP provides cellular telecommunications services to approximately 1.7 million subscribers in the Sao Paulo metropolitan area.

f) ENITEL (Nicaragua)
On December 17, 2003, the Nicaraguan government accepted América Móvil's public bid to purchase 49% of the shares of Empresa Nicaragüense de Telecomunicaciones, S.A. ("ENITEL") for a total purchase price of US$ 49.6 million. The closing date was January 2004. ENITEL is the sole provider of fixed telephone services in Nicaragua and has approximately 200 thousand phone lines. ENITEL also provides cellular telephone services to 120 thousand fixed-wire lines.

2002 Acquisitions

a) Telecom Américas (Brazil)
Telecom Américas was incorporated in November of 2000, as a joint venture among América Móvil, Bell Canada International (BCI) and SBC Internacional Inc. (SBCI), as a vehicle that would serve the three parties in their expansion in Latin America, with approximately the following equity interests: América Móvil, 44.3%; BCI, 44.3%, and SBCI, 11.4%.

At December 31, 2001, as a result of a series of transactions involving the cancellation of contributions payable to Telecom Américas and additional capitalizations by the shareholders, the ownership interest was as follows: América Móvil, 45.5%; BCI, 41.7%, and SBCI, 12.8%.

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

In April 2002, Telecom Américas issued to a financial investor 1,844 convertible preferred shares with no voting rights, which at that date represented 6.9% of the capital stock of Telecom Américas. The preferred shares may be converted to common shares at any time at the option of the holder. Preferred shares have no voting rights, or right to representation in the board of directors. As of 2006, the holders will have the right to sell half the preferred shares back to Telecom Américas for US$ 150 million plus interest at a nominal rate and, likewise, as of 2006, the Company will have the right to purchase half of the shares at the same price.

In May of 2002, América Móvil acquired BCI´s 39.1% equity interest for approximately US$ 370 million, and in June of 2002, it acquired SBCI's 11.9% equity interests for approximately US$ 173 million.

As a result of the aforementioned transactions, at December 31, 2002, América Móvil's equity interest in Telecom Américas increased to 96% approximately from 45% at December 31, 2001.

At December 31, 2003, as a result of additional capitalizations by the shareholders, América Móvil's ownership interest in Telecom Américas was 97.55%.

At December 31, 2003, Telecom América's cellular holdings in Brazil include: ATL, Tess, Telet, Americel, BSE and BCP band B cellular operators in the states of Rio de Janeiro, Sao Paulo, Rio Grande do Sul and various states in the northern part of Brazil. During the fourth of quarter 2003, América Móvil launched its new Claro brand throughout Brazil.

b) Comcel (Colombia)
Comunicación Celular S.A. ("Comcel") and Occidente y Caribe Celular S.A. ("Occel") provide wireless telecommunications service in Colombia's eastern and western regions, respectively. América Móvil acquired its investment in Comcel and Occel in 2002 as a result of the restructuring of Telecom Américas and increased its interest to the present levels through a series of capitalized investments made in 2002 and 2003. The Company currently holds a 95.67% equity interest in Comcel and a 93.4% equity investment in Occel.

At December 31, 2003, Comcel's cellular holdings in Colombia include: Comcel, Occel and Celcaribe band B cellular operators.

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

Other acquisitions
During 2003, América Móvil invested approximately US$ 77 million (US$ 154 million in 2002) to acquire minority interests in Conecel (Ecuador) and ACT (Guatemala). As a result, the Company increased its equity interest in these subsidiaries to 100%, from 80.6% and 96.9%, respectively.

Other minor acquisitions made by the Company in 2002 aggregated approximately P. 353,498.

The results of operations of the companies acquired in 2001, 2002 and 2003 have been included in the Company's financial statements from the month following the date of acquisition through the end of the period presented.

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

The following consolidated pro forma financial data for the years ended December 31, 2001, 2002 and 2003 have not been audited and are based on the Company's historical financial statements, adjusted to give effect to (i) the series of acquisitions mentioned in the preceding paragraphs; and (ii) certain accounting adjustments related to the amortization of goodwill and licenses, a reduction in interest income derived from the decrease in cash as a result of the previously-mentioned purchases and adjustments to depreciation of the net fixed assets of the acquired companies.

The pro forma adjustments assume that the purchases were made at the beginning of the acquisition year and the immediately preceding year and are based upon available information and other assumptions that management considers reasonable.

The pro forma financial information is not intended to indicate what the effect on the Company would have been had the transactions in question actually occurred, nor are they intended to predict the Company's results of operations.

	UNAUDITED PRO FORMA CONSOLIDATED AMÉRICA MÓVIL FOR THE YEARS ENDED DECEMBER 31,		
	2001	2002	**2003**
Operating revenues	P. 70,569,931	P. 75,602,854	**P. 97,201,553**
Net (loss) income	(12,016,422)	(7,241,816)	**17,416,198**
(Loss) earnings per share (in Mexican Pesos)	(0.91)	(0.55)	**1.35**

III. Goodwill
An analysis of goodwill at December 31, 2002 and 2003 is as follows:

	2002	**2003**
Investment:		
Opening balance as of December 31	P. 5,683,069	**P. 9,242,062**
Effect of acquired companies	3,104,433	**1,853,322**
Effects of translation of foreign entities	635,662	**1,503,222**
Cancellations	(181,102)	
	9,242,062	**12,598,606**
Amortization:		
Opening balance as of December 31	(1,143,693)	**(2,978,186)**
Amortization of the year	(1,677,198)	**(1,097,725)**
Effects of translation of foreign entities	(157,295)	**(494,346)**
	(2,978,186)	**(4,570,257)**
Ending balance, net	P. 6,263,876	**P. 8,028,349**

Amortization expense for the year ended December 31, 2001 was P. 692,879.

11. Financial Instruments

To hedge its exposure to financial risks, in 2003, the Company entered into US dollar and Mexican peso interest-rate swaps for the exchange of cash flows for the amount determined by applying agreed interest rates to the base amount. Under these contracts, the Company agreed to receive the Libor variable interest rate at various terms plus a differential and the CETES variable interest rate at various terms plus a differential and to pay a fixed rate, for the US dollar and Mexican peso interest-rate swaps, respectively.

At December 31, 2003 the Company has US dollar and Mexican peso interest-rate swaps for a total base amount of US$ 1,426.4 million and P. 6,000 million, respectively. The Company had no instruments of this type at December 31, 2002.

Additionally, at December 31, 2002 and 2003, the Company had contracted cross currency swaps for an outstanding base amount of US$ 208.8 and US$ 310.4 million, respectively.

Interest-rate swaps and cross-currency swaps are recorded in results of operations at the respective market interest rates. Gains on these swaps for 2003 were credited to operations as part of the caption comprehensive cost of financing for the year in the amount of P. 118,894 (losses of P. 167,817 were charged in 2002).

12. Employee Benefits Obligations

In 1994, Telcel set up an irrevocable trust fund to cover the payment of the obligations for seniority premiums, adopting the policy of making contributions to the fund as they are deemed necessary. No contributions were made to the fund in 2001, 2002 and 2003.

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

An analysis of the net period cost for 2001, 2002 and 2003 is as follows:

	2001	2002	**2003**
Service cost	P. 1,377	P. 1,766	**P. 1,870**
Financial cost of projected benefit obligations	223	339	**451**
Expected return on plan assets	(213)	(245)	**(252)**
Amortization of actuarial gain	(28)	(21)	**(23)**
Net period cost	P. 1,359	P. 1,839	**P. 2,046**

An analysis of the seniority premium reserve at December 31, 2002 and 2003 is as follows:

	2002	**2003**
Projected benefit obligation	P. 6,733	**P. 8,557**
Plan assets	(2,752)	**(4,581)**
Transition asset	55	**47**
Actuarial gain	1,055	**1,275**
Net projected liability	P. 5,091	**P. 5,298**
Unfunded accumulated benefit obligation	P. 3,981	**P. 3,976**
Accumulated benefit obligation	P. 6,733	**P. 8,557**

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

The net of inflation rates used to determine the actuarial present value of benefit obligations at December 31, 2001, 2002 and 2003 are presented below:

	2001	2002	**2003**
Discount rate	6.8%	6.8%	**6.8%**
Expected return on plan assets	6.8	6.8	**6.8**
Rate of compensation increase	1.9	1.9	**1.9**

13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

		2002		2003
Suppliers	P.	7,386,956	**P.**	**12,618,896**
Sundry creditors		1,140,138		**2,857,896**
Contingencies		1,253,871		**2,709,105**
Interest payable		929,965		**923,120**
Accrued expenses		291,834		**260,075**
Guarantee deposits		342,235		**316,574**
Retirement of assets provision				**155,830**
Others		30,727		**103,203**
Total	P.	11,375,726	**P.**	**19,944,699**

14. Debt

The Company's debt consists of the following:

		2002			**2003**		
CURRENCY	ITEMS	RATE	MATURITY FROM 2002 TO	TOTAL 2002	**RATE**	**MATURITY FROM 2003 TO**	**TOTAL 2003**
U.S Dollars							
	Exim Banks	L+.20 to L+1.65	2009	P. 8,788,067	**L+.20 to L+1.65**	**2009**	**P. 8,934,407**
	Syndicated loans	L+.75 to L+1.35	2007	10,721,906	**L+.75 to L+1.35**	**2007**	**11,236,000**
	Fixed-rate securities	3.62%	2004	3,897,456	**3.3990%**	**2004**	**347,033**
	Bank loans	L-.34 to L+1.50	2006	7,671,518	**L+.30 to L+1.50**	**2006**	**8,212,954**
	Suppliers	3.1675% to 10%	2004	643,625	**3.1675% to 10%**	**2004**	**149,619**
	BNDES	UMBNDES 4.5% to UMBNDES 5.0%	2008	782,697	**UMBNDES+4.5% to UMBNDES+5.05**	**2008**	**675,565**
	Leasing						**11,445**
	Others				**L+4.50; 11.25%**	**2008**	**527,321**
	Subtotal Dollars			32,505,269			**30,094,344**
Mexican Pesos							
	Domestic senior notes ("Certificados Bursátiles")	Various	2009	10,398,405	**Various**	**2009**	**11,250,000**
	Syndicated loans				**TIIE + .80**	**2008**	**1,750,000**
	Bank loans	TIIE28 +.70	2004	831,760	**TIIE**	**2004**	**1,000,000**
	Leasing				**TIIE + .55**	**2006**	**950,000**
	Subtotal Mexican Pesos			11,230,165			**14,950,000**
Reais							
	BNDES	TJLP + 2.80% to TJLP +5.00%	2007	2,273,044	**TJLP + 2.80% to TJLP + 5.00%**	**2007**	**2,402,875**
	Bank loans	CDI + 1.20		925,537	**CDI +.90**	**2005**	**60,607**
	Licenses	12% + Inflation	2010	922,695	**12% + Inflation**	**2010**	**365,788**
	Subtotal Reais			4,121,276			**2,829,270**
Colombian pesos							
	Bond				**IPC + 7.50%**	**2010**	**808,866**
	Subtotal Colombian pesos						**808,866**
Others Currencies							
	Bank loans	9%	2003	178,534	**6.50%**	**2004**	**598,868**
	Financial Leasing	13%	2004	1,198	**7.00%**	**2004**	**31,497**
	Subtotal Other currencies			179,732			**630,365**
	Total Debt			48,036,442			**49,312,845**
	Less: short-term debt and current portion of long-term debt			10,637,007			**12,108,296**
	Long term debt			P. 37,399,435			**P. 37,204,549**

1) L = LIBOR
2) UMBNDES = Monetary Unit of Brazilian Development Bank (BNDES)
3) TIIE = Mexican Equilibrium Funding Rate
4) TJLP =Long Term Interest Rate
5) CDI =Financial Certificate of Deposit

The above-mentioned interest rates are subject to variances in international and local rates and do not include the effect of the Company's agreement to reimburse certain lenders for Mexican taxes withheld. The Company's weighted average interest rate cost on borrowed funds at December 31, 2003 was approximately 5.19% (5.45% at December 31, 2002).

In addition to this rate, The Company must reimburse international lenders (with the exception of loans provided or guaranteed by export credit agencies) for Mexican taxes withheld, typically 4.9% of the interest payment. Fees in financing transactions generally add approximately ten basis points to financing costs.

Short-term debt at December 31, 2002 and 2003 consists of the following:

CONCEPT		2002		**2003**
Domestic senior notes	P.	1,819,475		
Fixed-rate securities		2,748,157	**P.**	**347,033**
Syndicated loans		1,297,351		**1,241,578**
Other loans		1,526,717		**6,602,879**
Total	P	7,391,700	**P.**	**8,191,490**
Weighted average interest rate		6.7%		**3.05%**

Maturities of long-term debt at December 31, 2003 are as follows:

YEARS		AMOUNT
2005	P.	14,606,800
2006		10,955,100
2007		5,595,528
2008		3,269,676
2009 and thereafter		2,777,445
Total	P.	37,204,549

Lines of credit guaranteed by Export Credit Agencies.- The Company has a number of equipment financing facilities, under which export development agencies provide support for financing to purchase exports from their respective countries. These facilities are generally medium to long-term, with periodic amortization and interest at a spread over LIBOR. They are extended to the Company or to operating subsidiaries, usually with guarantees from one or more of América Móvil, Telcel or Sercotel.

During 2002 and 2003, the Company established lines of credit up to US$ 250 million with the Export Development Corporation (EDC) of Canada to purchase telecommunications equipment. Drawings on these lines of credit are repayable semiannually and bear interest at LIBOR plus 0.95% to LIBOR plus 1.25% with maturities between 2004 and 2009.

Syndicated loans.- During 2001 and 2002, the Company entered into syndicated loan agreements for US$ 500, US$ 200 and US$ 400 million. With respect to the first loan of US$ 500 million, US$ 100 million was repaid in 2002 and the remaining US$ 400 million is due in January 2005, bearing interest at LIBOR plus 1.0%. The US$ 200 million syndicated loan is due in May 2005, bearing interest at LIBOR plus 1.0%.

The US$ 400 million syndicated loan has been structured into three tranches (credits A, B and C for US$ 121 million, US$ 137 million and US$ 142 million, respectively) with maturities in 2003, 2005 and 2007, bearing interest at LIBOR plus 0.75%, LIBOR plus 1.10% and LIBOR plus 1.35%, respectively. In 2003, the Company has renewed tranche A for US$110.5 million for an additional six month period.

BNDES.- At December 31, 2002, ATL, Tess and Americel have outstanding syndicated loans provided with resources of the Brazilian development bank Banco Nacional de Desenvolvimiento Económico e Social ("BNDES"). These loans are principally denominated in reais, with a portion indexed to US dollars. The principal amount of the loan is approximately R$ 618 million plus approximately US$ 60 million.

Purchase of licenses.- As of December 2003, the Company owed the Brazilian Government P. 365.7 million in reais-denominated obligations. These are indexed based on factors derived from Brazilian Consumer Price Index and carry a coupon of 12%. They are payable over 8 years in equal annual amortization beginning in August 2005.

Domestic Senior Notes ("Certificados Bursatiles").- The CNBV has authorized the Company to establish three programs for the issuance of domestic senior notes guaranteed by Telcel for P. 5,000 million each.

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

During 2003, the Company made three issues of the third program each for an amount of P.1,000 million, the first one with maturity in 2006 at a rate of Cetes 91 plus 1.20% and the other two maturing in 2008 at a rate of Cetes182 plus 0.90% and Cetes91 plus 0.89%, respectively.

As of December 31, 2003, the Company had a total of P. 11,250 million outstanding in the market.

General
At December 31, 2003, the Company had a number of bank facilities bearing interest at LIBOR plus a spread. For certain of the facilities, the spread over LIBOR can vary if there is a deterioration in the Company´s financial condition. The facilities have similar terms as to covenants, and under all of the facilities América Móvil, Sercotel and Telcel are either borrowers or guarantors. For certain of these facilities, Telgua is also a guarantor.

Additionally, the Company has available two commercial paper programs for P.2,000 and P.5,000 million. As of December 31, 2003, the Company had no outstanding commercial paper debt.

The Company is subject to financial and operating covenants under the loan agreements. They limit the ability to pledge assets, to effect a merger or a sale of all or substantially all of the assets, and to permit restrictions on the ability of the subsidiaries to pay dividends or make distributions to the Company. The most restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA not greater than 3.5 to 1 and a consolidated ratio of EBITDA to interest expense not less than 2.5 to 1 (using terms defined in the loan agreements). Telcel is subject to financial covenants similar to those applicable to América Móvil. A number of the financing instruments are subject to either acceleration or repurchase at the holder's option if there is a change of control. In the event of a default under certain material provisions of some of the bank loans, the Company is prohibited from paying dividends to the shareholders. At December 31, 2003, the Company was in compliance with all of these requirements.

At December 31, 2003, 87% of total outstanding consolidated debt is guaranteed by Telcel.

15. Foreign-Currency Position and Transactions

a) At December 31, 2002 and 2003, América Móvil had the following foreign-currency denominated assets and liabilities:

	FOREIGN CURRENCY IN MILLIONS			
	2002	EXCHANGE RATE AT DECEMBER 31 2002	**2003**	**EXCHANGE RATE AT DECEMBER 31 2003**
Assets				
US dollar	380	10.31	**1,326**	**11.23**
Quetzal	432	1.34	**702**	**1.39**
Reais	1,942	2.91	**2,356**	**3.89**
Colombian peso	240,505	0.0035	**290,163**	**0.004**
Argentinean peso			**380**	**3.83**
Euro			**1**	**14.11**
Liabilities				
US dollar	(3,710)	10.31	**(3,726)**	**11.23**
Quetzal	(1,107)	1.34	**(1,330)**	**1.39**
Reais	(1,540)	2.91	**(4,160)**	**3.89**
Colombian peso	(288,605)	0.0035	**(781,447)**	**0.004**
Argentinean peso			**(395)**	**3.83**

At February 23, 2004 the exchange rate of the Mexican peso relative to the US dollar, quetzal, real, Colombian peso, Argentinean peso and Euro was P. 11.04 per US dollar, P. 1.36 per quetzal, P. 3.73 per real, P. 0.004 per Colombian peso, P. 3.78 per Argentinean peso and P. 13.8 per Euro.

b) In the years ended December 31, 2001, 2002 and 2003, the Company had the following transactions denominated in foreign currencies. Currencies other than the US dollar (reais, quetzals, Colombian pesos, Argentinean peso and Euro) were translated to US dollars using the average exchange rate for the year.

	THOUSANDS OF U.S. DOLLARS		
	2001	2002	**2003**
Net revenues	1,048,464	1,711,259	**3,037,013**
Operating costs and expenses	1,655,682	2,423,335	**4,103,468**
Interest income	62,867	108,469	**141,484**
Interest expense	90,514	147,529	**298,075**
Other income (expense), net	95,808	(110,778)	**260,394**

16. Commitments and Contingencies

a) As of December 31, 2003, the Company has entered into various leases (as a lessee) with related parties for the buildings in which its offices are located, as well as with owners of property where the Company has installed radio bases. The leases expire within one to five years.

Following is an analysis of minimum rental payments due in the next five years. In some cases, the amount will be increased either based on the NCPI or on the appraisal values of the property.

The Company leases certain equipment used in its operations under capital leases. At December 31, 2003, the Company had the following commitments under non-cancelable leases:

YEARS ENDED DECEMBER 31,		CAPITAL LEASE		OPERATING LEASE
2004	P.	27,915	P.	752,771
2005		493,205		769,516
2006		492,557		790,920
2007				800,905
2008 and thereafter				3,705,691
Total		1,013,677	P.	6,819,803
Less interest		(20,735)		
Present value of minimum rental payments		992,942		
Less current installments		37,401		
Long-term obligations at December 31, 2003	P.	955,541		

Rent charged to expenses in 2001, 2002 and 2003 aggregated, P.247,564, P. 344,679 and P. 1,091,415, respectively.

b) Certain Telmex Obligations Iberbanda
Telmex has guaranteed certain obligations of Iberbanda, S.A.(formerly FirstMark Comunicaciones España, S.A.). The guarantee is limited to 13.7 million euros (P. 194 million). América Móvil has agreed to indemnify Telmex for any liability derived from these guarantees.

Post Spin-Off Agreement
In conformity with clause eleven of the post spin-off master agreement between Telmex and América Móvil, Telmex is obligated to indemnify and hold América Móvil harmless from any and all claims resulting from any liability or contingency which was to be paid by Telmex as a result of the spin-off of América Móvil from Telmex and América Móvil is obligated to indemnify and hold Telmex harmless from any liability or contingency which was expressly transferred to América Móvil as a result of the spin-off América Móvil from Telmex.

c) Payment Guarantees With Suppliers
At December 31, 2003, some of the Companies subsidiaries had commitments to acquire equipment comprising their GSM networks, for as much as approximately US$ 580 million (approximately P. 6,516 million), which amounts have been guaranteed by America Móvil.

Telcel

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

Administrative proceedings were commenced in January and June 2001 by Cofeco against Telcel for alleged anti-competitive behavior in connection with certain actions carried out by certain distributors of Telcel in 2001. In May 2002, Cofeco ruled against Telcel in connection with the proceeding begun in January. Telcel appealed this ruling in June 2002. In September 2002, Cofeco ruled against this appeal. Telcel filed a lawsuit (demanda de nulidad) against this ruling in January 2003, the resolution of which is still pending. With respect to the administrative proceedings commenced in June 2001, Cofeco ruled against Telcel in December 2002, and Telcel appealed this ruling. In May 2003, Cofeco ruled against this appeal. In August 2003, Telcel filed a lawsuit (demanda de nulidad) against this ruling, the resolution of which is pending. If the Company is unsuccessful in challenging these proceedings, they may result in fines or specific regulations applicable to Telcel.

e) Administrative Investigation
The Company has received requests for information from the CNBV and the SEC regarding Telcel's entry into a capacity services agreement with Operadora Unefon in September 2003. The investigation regards the alleged use by Operadora Unefon of the US$267.7 million paid by Telcel to Operadora Unefon under the agreement and related public disclosures made by an affiliate of Operadora Unefon. The Company is cooperating with the authorities.

f) Interconnection
Under the terms of its concessions for the 800 megahertz spectrum, Telcel must pay a royalty on gross revenues from concessioned services. The royalty is levied at rates that vary from region to region but average approximately 8%. The Company believes that short message services are value-added services, which are not concessioned services, and that revenues from short message services should not be subject to this royalty. In related proceedings, Cofetel has ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services. The Company is currently disputing these issues in an administrative proceeding, but have made provisions in the financial statements with respect to this potential liability.

CompUSA

g) In January 2000, COC Services, LTD. ("COC Services") filed with the District Court for the County of Dallas, Texas, a lawsuit against CompUSA, Inc. (CompUSA) alleging breach of contract and civil liability on the part of CompUSA in connection with certain letter of intent relating to the franchises granted to various Mexican retailers. The lawsuit also named Grupo Carso, Grupo Sanborns and Carlos Slim Helú as additional defendants. In the lawsuit, COC Services sought to recover from CompUSA US$150 million (approximately P. 1,685.4) in actual damages for breach of contract, tortious interference with a contract or prospective contract, and conspiracy, as well as US$2 million (approximately P. 22.4) in damages for fraud and US$300 million (approximately P. 3,370.8) in punitive damages, plus interest and the reimbursement of all legal fees and expenses. The lawsuit was turned over to the 116th District Court for the County of Dallas, Texas, and a jury trial was held in January and February 2001. The jury trial concluded in February 2001 with a verdict against all the defendants in respect of several COC claims. The veredict awarded to COC Services actual and punitive damages from the various defendants, as follows: punitive damages of US$175.5 million (approximately P. 1,971.9) from James Halpin, CompUSA's former Chief Executive Officer, US$94.5 million (approximately P. 1,061.8) from CompUSA, US$67.5 million (approximately P. 758.4) from Carlos Slim Helú, US$13.5 million (approximately P. 151.6) from Grupo Carso and US$13.5 million (approximately P. 151.6) from Grupo Sanborns. The defendants filed with the court a motion challenging various legal aspects of the final award.

On May 18, 2001, the court reduced the amount of the damages awarded by the jury veredict against Grupo Carso, Grupo Sanborns, Carlos Slim Helú, CompUSA and James Halpin, from US$454.0 million (approximately P. 5,101.1) to US$121.5 million (approximately P. 1,365.1), which represented a 73% reduction. In addition, the court vacated the jury award against CompUSA and James Halpin. Grupo Carso, Grupo Sanborns and Carlos Slim Helú have filed various motions in connection with these proceedings, and have filed an appeal with the competent courts of the State of Texas. Such actions are pending and we cannot predict their outcome, but we have posted with the court a bond to guarantee the payment of any amounts that may be awarded by a final resolution. Although the amount of the jury veredict has been reduced, we plan to continue pursuing all legal avenues available before the competent courts, for so long as it may be necessary, in order to obtain the dismissal of the pending accusations. COC Services has appealed the judgment, seeking to obtain the payment of damages in an amount closer than that stipulated in the jury veredict, and to reinstate CompUSA and James Halpin as defendants. The appeals have been processed and all arguments have been heard. The final resolution of the court of appeals is currently pending.

Telgua

h) Reversal of Privatization
In June 2000, the executive branch of the Guatemalan government issued declarations concerning Empresa Guatemalteca de Telecomunicaciones ("Guatel"), a Guatemalan state agency that conducted the privatization of Telgua. The declarations stated that certain actions of Guatel relating to the privatization of Telgua were contrary to the interests of the Guatemalan State. In September 2000, the Guatemalan government commenced judicial proceedings against Guatel, Telgua and certain other parties involved in the privatization of Telgua seeking reversal of the privatization.

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

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

Pursuant to the settlement agreement, the Guatemalan State, ACT and Telgua agreed to abandon all litigation and related actions with respect to this matter. While the competent court held that as a procedural matter the attorney for the Guatemalan State could not withdraw the State's claims, it recognized the settlement agreement and ordered the files closed. During 2002, certain former government officials presented claims to the Guatemalan courts challenging the validity of the October 2001 settlement agreement on the grounds that they should have been included as parties. These actions are pending.

i) ITI-GEDO
In addition, judicial proceedings were commenced in the United States District Court for the Southern District of New York in March 2001 by International Telecom, Inc. ("ITI") against Generadora Eléctrica de Oriente, S.A. ("GEDO"), Antonio Jorge Álvarez and Telgua, alleging breach of contract, tortious interference with contract and fraud in connection with an international telecommunications service agreement. In March 2002, the court granted Telgua's motion to dismiss the case against it for lack of personal jurisdiction, holding that Telgua had insufficient contacts with New York to subject it to jurisdiction in that forum. After a final judgment is issued, ITI, GEDO or Mr. Álvarez may appeal the decision dismissing Telgua from the litigation to the United States Court of Appeals for the Second Circuit.

Comcel

j) Value Added Tax
The Colombian tax authorities have demanded that Comcel and Occel pay additional value-added taxes arising from cellular activation fees in 1995 and 1996. Comcel and Occel have challenged these claims before the corresponding administrative authorities. The administrative authorities have reviewed several of the bi-monthly tax periods in question and have decided all of them in favor of Comcel and Occel.

The amount claimed by the tax authorities (including fines and interest) relating to the tax periods for which challenges were still pending as of December 31, 2003 totaled approximately Colombian P. 19.6 billion for Comcel and P. 2.7 billion for Occel (approximately P. 79.2 million and P. 10.9 million, respectively). In the opinion of its management, Comcel and Occel have appropriately filed and paid the value-added tax for all of the periods in question and has made no provisions in its financial statements as of December 31, 2003 against these proceedings.

k) Voice/IP
In March 2000, the Colombian Superintendencia de Industria y Comercio (SIC) issued Resolution No. 4954, requiring Comcel to pay a fine of Colombian P. 234 million for alleged anti-competitive behavior. In addition to this administrative fine, the SIC ordered Comcel to pay damages to other long distance operators. The long distance operators estimated their damages to be US$70 million. Comcel requested an administrative review of the damages decision, which was denied in June 2000. Comcel appealed, and the appeal was rejected in November 2000. Comcel resubmitted the appeal in February 2001.

Comcel also filed a special action in court challenging the denial of the administrative review. Following a series of court proceedings, a Colombian appeals court in June 2002 ordered that Comcel's February 2001 appeal be granted and that the administrative decision against Comcel be reviewed. After additional proceedings, the Consejo Superior de la Judicatura ratified this decision. However, in 2003, an appeals court decided to revoke the decision of the Consejo Superior de la Judicatura, and the Tribunal Superior de Bogotá currently is reverting the procedure back to the SIC in order to continue the damages claim.

Telecom Americas

l) Tess and ATL-Telecom Leste
ANATEL has challenged each of Tess and ATL regarding the calculation of inflation-related adjustments due under these companies' concession agreements with ANATEL. Forty percent of the concession price under each of these agreements was due upon execution and 60% was due in three equal annual installments (subject to inflation-related adjustments and interest) beginning in 1999.

Both companies have made these concession payments, but ANATEL has rejected the companies' calculation of the inflation-related adjustments and requested payment of the alleged deficiencies. The companies have filed declaratory and consignment actions in Brazilian courts seeking resolution of the disputes. The court of first instance ruled against ATL's filing for declaratory action in October 2001 and ATL's filing for consignment action in September 2002. Subsequently, ATL filed appeals, which are pending. In September 2003, the court of first instance ruled against Tess' filing for consignment action. Subsequently, Tess filed an appeal, which is still pending. No ruling has been made to date in respect of the declaratory action filed by Tess. The aggregate contested amounts were approximately R$422 million (including potential penalties and interest) (US$146 million) at December 31, 2003. We have made provisions in our financial statements with respect to this potential liability.

m) BNDESPAR
Prior to our acquisition of Telet and Americel, BNDESPar, a subsidiary of BNDES, the Brazilian development bank, had entered into investment and other shareholder agreements with Americel, Telet and certain of their significant shareholders. Under these agreements, BNDESPar had the right, among others, to participate in the sale of shares of Telet and Americel in the event of certain transfers of control, for so long as BNDESPar held 5% of the share of capital in those companies. In October 2003, the Company increased the capital of each of Telet and Americel and BNDESPar's ownership fell below 5% from approximately 20% in each as it elected not to exercise its preemptive rights. Subsequently, BNDESPar sent official notices to Telet and Americel reserving its rights under the agreements in respect of certain past transfers of shares. To the Company´s knowledge, BNDESPar has not commenced judicial action against us or any of our

subsidiaries. The Company does not believe that BNDESPar has a valid claim against us or our subsidiaries under the agreements. Moreover, does not believe that any such possible actions, even if successful, could result in a material adverse effect on our business, results or liquidity, but it is difficult for to predict the outcome of any such possible actions since a lawsuit has not yet been filed.

17. Related Parties

a) Following is an analysis of balances due from/to related parties as of December 31, 2002 and 2003. All of the companies are considered América Móvils' affiliates, as the Company's principal stockholders are also directly or indirectly stockholders of these related parties.

	DECEMBER 31,			
		2002		**2003**
Accounts receivable:				
Teléfonos de México, S.A. de C.V.	P.	506,192	**P.**	**497,629**
Sanborns Hermanos, S.A. de C.V.		63,276		**69,306**
Sears Roebuck, S.A. de C.V.		21,076		**40,665**
Teléfonos del Noroeste, S.A. de C.V.		16,797		**27,081**
Seguros Inbursa, S.A. de C.V.				**7,414**
Others		2,057		**5,710**
	P.	609,398	**P.**	**647,805**
Accounts payable:				
América Telecom, S.A. de C.V.	P.	46,238	**P.**	**48,455**
Fianza Guardiana Inbursa, S.A. de C.V.		23,455		**26,511**
Consorcio Red Uno, S.A. de C.V.		18,872		**3,634**
Alquiladora de Casas, S.A. de C.V.		215		**450**
Carso Global Telecom, S.A. de C.V.				**21,767**
Compañía de Teléfonos Bienes y Raíces, S.A. de C.V.		331		**16,631**
Others		21,093		**12,075**
Total	P.	110,204	**P.**	**129,523**

b) Neither Telmex nor América Móvil owns any capital stock in the other; however, both companies are controlled by the same group of stockholders. The relationship between Telmex and América Móvil is limited to commercial relationships in the ordinary course of business between a major fixed-line network operator and a major wireless network operator including, among others, the interconnection of their respective networks and the use of facilities, particularly the co-location on premises owned by Telmex. These operational relationships are subject to various agreements, which, for the most part, were in place prior to the spin-off and have continued in effect without significant modification following the spin-off. Many of them are also subject to specific regulations governing all telecommunications operators. The terms of these agreements are similar to those on which each company does business with other unaffiliated parties.

c) In 2001, marketable securities included notes and corporate bonds issued by related parties, interest earned on such instruments for the years ended December 31, 2001 and 2002 were P. 401,774 and P. 81,346, respectively.

d) In the years ended December 31, 2001, 2002 and 2003 the Company had the following significant transactions with related parties, (mainly with Telmex):

		2001		2002		**2003**
Revenues:						
Calling Party Pays (CPP) interconnection fees and other (1)	P.	8,421,326	P.	8,746,336	**P.**	**9,553,850**
Costs and expenses:						
Payments of long-distance,circuits and others (2)		3,821,476		3,637,594		**3,902,024**
Commercial, administrative and general:						
Advertising		473,706		467,765		**533,662**
Others, net		(109,882)		189,450		**(4,609)**
Interest expense (income)		6,588		57,215		**(4,706)**

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

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

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

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

18. Stockholders' Equity

a) The shares of América Móvil were authorized and issued pursuant to the Telmex stockholders' meeting on September 25, 2000 approving the spin-off. Capital stock at December 31, 2001, 2002 and 2003, is represented by 13,199 million, 12,916 million and 12,836 million common shares with no par value, respectively, representing the fixed portion of capital.

An analysis of the shares at December 31, 2003 is as follows:

MILLIONS OF SHARES	
3,647	Series AA voting shares
279	Series A voting shares
8,910	Series L limited voting rights
12,836	

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

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

c) In April 2002 and 2003, the stockholders approved payment of a cash dividend of Ps. 0.044 and Ps. 0.060 per share, respectively, payable in four installments of Ps. 0.011 and Ps. 0.015 each in June, September and December of 2002 and 2003 and in March 2003 and 2004.

During the three year period ended December 31, 2003, the Company has purchased the following shares:

YEAR	NUMBER OF SHARES IN MILLIONS		AMOUNT IN THOUSANDS OF MEXICAN PESOS		HISTORICAL AMOUNTS IN THOUSANDS OF MEXICAN PESOS	
	"L" SHARES	"A" SHARES	"L" SHARES	"A" SHARES	"L" SHARES	"A" SHARES
2001	807	4	P. 7,477,552	P. 44,363	P. 6,662,635	P. 38,999
2002	281.6	1.9	P. 2,178,493	P. 13,506	P. 2,038,972	P. 12,641
2003	66.2	0.2	P. 975,119	P. 350	P. 1,009,870	P. 330

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

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

19. Income Tax, Asset Tax and Employee Profit Sharing

a) Mexico

1) Effective January 1, 2002, the Ministry of Finance and Public Credit authorized América Móvil to consolidate the group tax returns of its Mexican subsidiaries. Global Central América, S.A. de C.V., one of the Company's subsidiaries is excluded from this tax consolidation.

2) Asset tax is a minimum income tax payable on the average value of most assets net of certain liabilities. Since asset tax may be credited against income tax, the former is actually payable only to the extent that it exceeds income tax. Asset tax

for the years ended December 31, 2001, 2002 and 2003 was P. 114,819, P. 1,356,718 and P. 1,076,528, respectively. Such amounts were paid by crediting income tax paid in such years. Asset tax for the years ended December 31, 2002 and 2003, was determined on a consolidated basis.

3) The statutory income tax rate for 2002 and 2003 was 35% and 34% respectively, However, corporate taxpayers had the option of deferring a portion, so that the tax payable in 2001 represented 30% of taxable income. The deferred portion of the tax had to be controlled in the so-called "net reinvested tax profit account" (CUFINRE) to clearly identify the earnings on which the taxpayer opted to defer payment of a portion of income tax. Effective January 1, 2002, the above-mentioned option of deferring a portion of income tax, was eliminated.

Since in 2001, the Company opted for this tax deferral, earnings will be considered to be distributed first from the "CUFINRE" account and any excess will be paid from the "net tax profit account" ("CUFIN") so as to pay the 5% deferred tax.

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

At December 31, 2003, the balance of the restated contributed capital account (CUCA) and CUFIN was P. 29,665,720,and P. 30,905,823, respectively.

4) An analysis of income tax charged to results of operations for the years ended December 31, 2001, 2002 and 2003 is as follows:

	2001	2002	**2003**
Current year income tax of Mexican Subsidiaries	P. 3,470,644	P. 3,309,574	**P. 2,642,174**
Current year income tax of foreign Subsidiaries	119,925	282,692	**555,117**
Deferred income tax of Mexican Operations	(300,288)	(380,958)	***80,235***
Total	P. 3,290,281	P. 3,211,308	**P. 3,277,526**

The current year income tax of Mexican subsidiaries includes a tax credit of P. 864 million resulting from the favorable ruling handed down in an appeal against the tax authority's rejection of certain deductions in connection with the fiscal treatment on the loss of sale of subsidiaries.

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

	YEAR ENDED DECEMBER 31		
	2001	2002	**2003**
Statutory income tax rate in Mexico	35.0%	35.0%	**34.0%**
Financing costs	1.8	0.2	**8.80**
Goodwill	0.7	0.5	**1.42**
Impairment on affiliates	1.0		
Sale of affiliates		(4.5)	
Recoverably taxes			**(7.4)**
Asset tax		5.2	**7.5**
Royalties			**(10.4)**
Others	5.4	(8.1)	**3.6**
Effective tax rate for Mexican operations	43.9	28.3	**37.5**
Revenues and costs from foreign subsidiaries	7.3	(2.0)	**(20.3)**
Effective tax rate	51.2%	26.3%	**17.2%**

On January 1, 2002, a annual one-percentage point decrease in the income tax rate was approved, starting in 2003, so that in 2005 the rate will be 32%. The effect of this tax rate change on the determination of deferred taxes for the year represented a credit to result of operations in 2003, of approximately P. 130 million. The effect of this change is included in each of the concepts presented.

6) The temporary differences on which the Company recognized deferred taxes in the years ended December 31, 2002 and 2003, were as follows:

	December 31, 2002	December 31, 2003
Deferred tax assets		
Liability provisions	P. (387,727)	**P. (434,134)**
Other	(164,987)	**(153,419)**
Deferred revenues	(488,424)	**(782,689)**
Tax loss carryforwards	(5,671,749)	**(19,383,420)**
	(6,712,887)	**(20,753,662)**
Deferred tax liabilities		
Fixed assets	1,883,497	**2,539,064**
Inventories	723,785	**935,909**
Licenses	583,650	**651,778**
Sale and lease back		**889,290**
	3,190,932	**5,016,041**
Valuation allowance	5,662,646	**19,386,476**
Deferred income tax liability	P. 2,140,691	**P. 3,648,855**

7) The Company is legally required to pay employee profit sharing in addition to the compensations and benefits to which Mexican employees are contractually entitled. The statutory employee profit sharing rate in 2001, 2002 and 2003 was 10% of taxable income.

b) Foreign Subsidiaries

The foreign subsidiaries determine their income tax based on the individual results of each subsidiary and in conformity with the specific tax regimes of each country. The pretax (loss) income and tax provisions of these subsidiaries in 2001, 2002 and 2003 were P. (2,449,956), P. 1,330,656, P.3,759,371 and P. 119,925, P. 282,692 and P. 555,117, respectively.

At December 31, 2003, America Móvil's foreign subsidiaries, have available tax loss carryforwards in conformity with the tax regulations of their respective countries as follows:

	Millions of pesos at December 31, 2003				
YEARS	BRAZIL	ARGENTINA	USA	COLOMBIA	ECUADOR
1997	P. 45		P. 12		
1998	1,540		408		
1999	11,116	P. 83	390		P. 81
2000	7,721	949	1,786	P. 1,243	460
2001	9,125	517	1,223	1,180	348
2002	7,758	5,191	94	162	116
2003	4,628	641			46
	P. 41,933	P. 7,381	P. 3,913	P. 2,585	P. 1,051

In Brazil there is no time limit on the carryforward of tax losses; however, the carryforward in each year may not exceed 30% of the tax base for such year.

In Argentina, the tax loss of a given year may be carried forward only against the taxable earnings of the succeeding five years.

Up to 2002, tax losses incurred in Colombia, may be carried forward against taxable earnings of the succeeding five years, with no limitations whatsoever. Beginning in 2003, the tax loss of a given year maybe carryforwards only against the taxable earnings of the succeeding eight years, not exceeding 25% of the earnings generated in each of those years.

Tracfone experienced a change in ownership as defined by U.S. Internal Revenue Code section 382, under which, there is an annual limitation on Tracfone's ability to realize the benefit of its loss carryforwards. As result, some or all of the Tracfone's loss carryforwards may never be realized.

In Ecuador the tax loss of a given year maybe carryforwards only against the taxable earnings of the succeeding five years, not exceeding 25% of the earnings generated in each of those years.

In Guatemala and El Salvador there is no carryforward of tax losses against earnings of future years.

20. Stock option plan

During 2001, the Company established a stock option plan for most of its senior executives. The Compensation Committee and Board of Directors authorized the plan, reserving a total of 3,215,000 L Shares from treasury. The subscription price for the 2001 plan is P. 1.00 per share. Participants under the plan may exercise 25% of the options during 2001, 25% during 2002, 25% during 2003, and the remaining 25% during 2004. Because the options do not expire if not exercised in a particular year, a participant could wait until the fourth anniversary of the plan to exercise 100% of the options granted. During 2002 and 2003, the Company established second and third plans, respectively, each of which functions under the same rules as the 2001 plan, except that the second plan established in 2002 has a one-year lag while the third plan established in 2003 has a two-year lag. Additional L Shares from treasury were reserved for such plans. As of December 31, 2003, a total of 5,080,750 L Shares have been acquired by employees under the stock option plans. At December 31, 2003, the Company has expensed the difference between the market value of the total authorized shares and the subscription price.

21. Segments

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

	MEXICO CORPORATE	MEXICO (TELCEL)	GUATEMALA (INCLUDES NICARAGUAN OPERATIONS)	ECUADOR
December 31, 2001				
Operating revenues		35,460,890	4,406,171	852,491
Depreciation and amortization	241,566	2,697,582	1,119,651	646,249
Operating loss income	(1,890,874)	9,837,962	1,343,631	(546,628)
Interest paid	1,075,726	5,063,565	539,228	127,443
Segment assets	74,981,185	75,136,512	11,018,358	4,194,031
Plant, property and equipment, net	603,483	33,497,338	7,961,852	1,353,635
Goodwill, net	2,319,822	501,856	325,688	2,027,756
Licenses, net		1,849,691	537,892	331,637
December 31, 2002				
Operating revenues		42,407,871	4,620,722	1,300,688
Depreciation and amortization	247,794	3,913,562	1,244,856	226,293
Operating loss income	212,035	12,290,269	1,108,690	(109,613)
Interest paid	4,587,479	8,761,004	392,879	56,954
Segment assets	267,439,076	80,072,447	11,776,136	4,390,739
Plant, property and equipment, net	860,426	35,422,658	9,507,389	1,538,363
Goodwill, net	2,138,671		441,709	2,046,822
Trademarks				
Licenses, net		1,694,775	597,764	305,174
December 31, 2003				
Operating revenues		52,465,905	5,662,567	2,716,700
Depreciation and amortization	1,133,875	4,719,971	1,360,255	452,536
Operating loss income	(1,204,704)	17,695,289	1,706,214	548,529
Interest paid	5,927,629	5,555,664	412,117	69,406
Segment assets	263,073,070	43,673,117	10,775,727	5,357,175
Plant, property and equipment, net	1,148,449	28,364,683	7,799,619	2,370,918
Goodwill, net	3,061,521		577,091	1,849,132
Trademarks				
Licenses, net		1,553,455	638,732	256,289

COLOMBIA	BRAZIL	ARGENTINA	U.S.A.	EL SALVADOR	ELIMINATIONS	CONSOLIDATED TOTAL
			4,748,540		(10,688)	45,457,404
			264,418		(49,218)	4,920,248
			(1,694,227)		(375,384)	6,674,480
					(5,660,941)	1,145,021
			1,493,131		(64,989,837)	101,833,380
			517,839			43,934,147
					(496,562)	4,678,560
						2,719,220
3,838,763	3,316,564	49,032	4,241,627		(32,671)	59,742,596
914,357	1,897,828	(60,392)	166,969		54,996	8,606,263
355,889	(901,876)	44,303	(256,908)		237,622	12,980,411
425,896	686,420	10,092			(12,424,350)	2,496,374
9,380,478	4,058,989	809,708	1,295,424		(261,685,375)	117,537,622
5,681,460	9,430,259	934,851	420,200		(801,607)	62,993,999
1,619,466		274,717			(257,509)	6,263,876
1,974,142	4,822,388					6,796,530
2,284,094	11,102,448	232				15,984,487
5,769,694	11,397,248	889,348	6,246,478	811,906	(18,874)	85,940,972
1,398,657	4,319,775	96,371	196,350	160,321	39,750	13,877,861
592,468	(2,134,005)	70,451	200,179	269,429	216,245	17,960,095
475,909	1,730,162	225,440		529	(10,621,490)	3,775,366
12,763,467	61,315,156	4,839,104	2,399,293	8,911,217	(263,128,779)	149,978,547
6,917,840	18,026,807	1,455,481	359,566	4,718,279		71,161,642
2,831,175		287,871			(578,441)	8,028,349
1,782,692	4,034,641	1,015,015		1,052,433		7,884,781
2,623,521	19,894,324	639,971		327,528	(125,869)	25,807,951

22. Subsequent Events

The Company plans to issue and privately offer senior notes in an amount of approximately US$ 1.0 billion.

23. Differences between Mexican and U.S. GAAP

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

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

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

		DECEMBER 31,	
	2001	2002	**2003**
Net (loss) income, as reported under Mexican GAAP	P. (1,134,050)	P. 4,644,052	**P. 15,383,485**
Total U.S. GAAP adjustments, net	463,910	1,393,173	**(484,591)**
Net income (loss) under U.S. GAAP	P. (670,140)	P. 6,037,225	**P. 14,898,894**
Total stockholders' equity under Mexican GAAP	P. 62,233,269	P. 51,145,864	**P. 69,211,871**
Total U.S. GAAP adjustments, net	381,785	(757,053)	**1,955,608**
Total stockholders' equity under U.S. GAAP	P. 62,615,054	P. 50,388,811	**P. 71,167,480**

Glossary

Operating Indicators

ARPU (Average Revenue per User) Service revenues of a given period divided by the average number of total subscribers of that specific period; it is presented on a monthly basis. ARPU can also be calculated for prepaid and postpaid subcsribers.

MOU (Minutes of Use) Total traffic, outgoing and incoming, of a given period divided by the average number of subscribers of that specific period; it is presented on a monthly basis. MOU can also be calculated for prepaid and postpaid subscribers.

CHURN (Disconnection Rate) Total number of subscriber disconnections of a given period divided by the number of subscribers at the end of t-1; it is presented on a monthly basis. CHURN can also be calculated for prepaid and postpaid subscribers.

License Pop Population covered by the licenses that each of the companies own.

Cellular Penetration Total number of subscribers of a country as a percentage of the population.

Market Share A company's number of subscribers as a percentage of a country's total number of subscribers.

SAC (Subscriber Acquisition Cost) Measure of the cost of adding a new client. It includes, among others, handset subsidy and advertising expenses.

Financial Indicators

EBITDA Earnings before Interests, Taxes, Depreciation and Amortization.

EBITDA Margin EBITDA as a percentage of total revenues.

EBIT Earnings before Interests and Taxes.

EBIT Margin EBIT as a percentage of total revenues.

shareholder information

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

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

Shares traded in the US
ADS: New York Stock Exchange
Symbol: AMX
One ADS represents 20 "L" shares

ADS: NASDAQ
Symbol: AMOV
One ADS represents 20 "A" shares

Shares traded in Spain
"L": LATIBEX. Mercado de Valores
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Symbol: XAMXL

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