
América Móvil
2004
Annual Report
Fast
Forward

América Móvil is the main wireless company in Latin America and one of the five largest in the world in terms of equity subscribers. It has operations in eleven countries in the Americas covering a combined population of over 674 million people. State-of-the-art products and quality services are available for over 61 million people that make up América Móvil's wireless subscriber base and nearly two 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.

CONTENTS

A good knowledge of the region... A sound capital structure... Efficiency that relies on our vast operational experience... All of these have allowed us to consolidate our position as the leading wireless services provider in Latin America. And left us well prepared to harness the growth opportunities our region offers. We shall grow faster... Go farther...Be stronger.

Our company at a glance

1 United States > Tracfone
Licensed Pop: 294
Wireless penetration: 60%
Wireless subscribers: 4,394
Revenues: 787
América Móvil's interest: 98.2%
Number of employees: 428

2 Mexico > Telcel
Licensed Pop: 106
Wireless penetration: 36%
Wireless subscribers: 28,851
Revenues: 6,287
América Móvil's interest: 100.0%
Number of employees: 9,354

3 Guatemala > Telgua and Sercom
Licensed Pop: 12
Wireless penetration: 23%
Fixed line penetration: 9%
Wireless subscribers: 1,306
Fixed lines: 901
Revenues: 553
América Móvil's interest: 99.0%
Number of employees: 2,138

4 El Salvador > CTE
Licensed Pop: 7
Wireless penetration: 23%
Fixed line penetration: 13%
Wireless subscribers: 518
Fixed lines: 781
Revenues: 411
América Móvil's interest: 94.9%
Number of employees: 2,406

5 Honduras > Megatel
Licensed Pop: 7
Wireless penetration: 10%
Wireless subscribers: 198
Revenues: 42
América Móvil's interest: 100.0%
Number of employees: 251

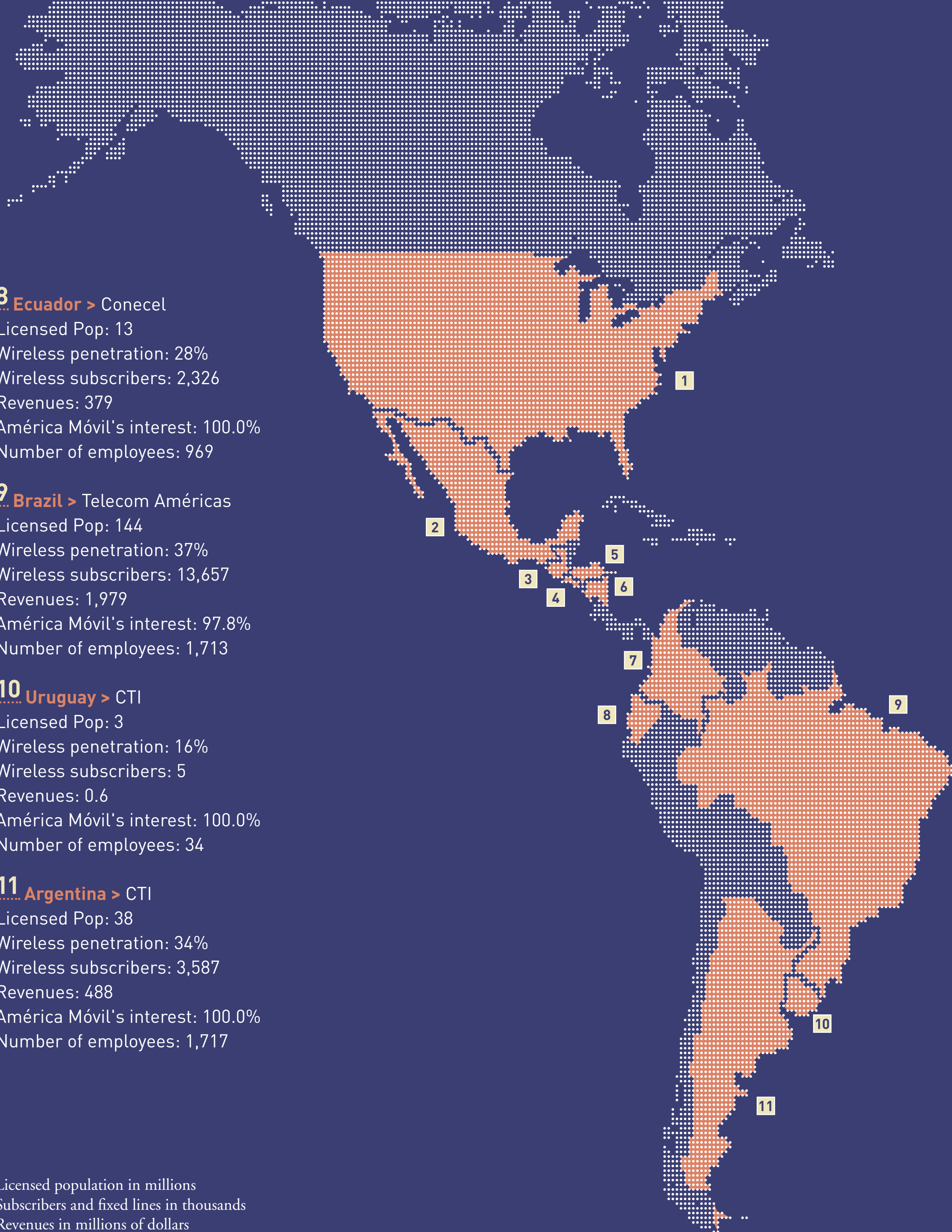
6 Nicaragua > Sercom and Enitel
Licensed Pop: 6
Wireless penetration: 13%
Fixed line penetration: 4%
Wireless subscribers: 453
Fixed lines: 214
Revenues: 172
América Móvil's interest: 99.0%
Number of employees: 2,392

7 Colombia > Comcel
Licensed Pop: 46
Wireless penetration: 23%
Wireless subscribers: 5,814
Revenues: 741
América Móvil's interest: 99.2%
Number of employees: 1,813

2004 relevant events

JANUARY: We acquired a 49.0% interest in Empresa Nicaragüense de Telecomunicaciones (Enitel) from the government of Nicaragua. Enitel is the sole provider of wireline services in Nicaragua and one of three mobile operators in the country (including America Móvil's Sercom Nicaragua).

MAY: We sold our 60.0% interest in Techtel, an Argentinean broadband company.



8 Ecuador > Conecel
Licensed Pop: 13
Wireless penetration: 28%
Wireless subscribers: 2,326
Revenues: 379
América Móvil's interest: 100.0%
Number of employees: 969

9 Brazil > Telecom Américas
Licensed Pop: 144
Wireless penetration: 37%
Wireless subscribers: 13,657
Revenues: 1,979
América Móvil's interest: 97.8%
Number of employees: 1,713

10 Uruguay > CTI
Licensed Pop: 3
Wireless penetration: 16%
Wireless subscribers: 5
Revenues: 0.6
América Móvil's interest: 100.0%
Number of employees: 34

11 Argentina > CTI
Licensed Pop: 38
Wireless penetration: 34%
Wireless subscribers: 3,587
Revenues: 488
América Móvil's interest: 100.0%
Number of employees: 1,717

Licensed population in millions
Subscribers and fixed lines in thousands
Revenues in millions of dollars

JULY: We acquired a 100.0% ownership interest in Megatel, a wireless operator in Honduras. We also purchased the remaining 8.0% minority interest in the wireless Argentinean company CTI.

AUGUST: Continuing the expansion of our presence in Central America, we purchased a 50.0% controlling interest in the Nicaraguan company Enitel, increasing our stake to 99.0%.

DECEMBER: We raised our interest in Compañía de Telecomunicaciones de El Salvador (CTE), which offers wireline and wireless services in El Salvador, to 94.9% after acquiring 41.5% from the government.

We launched mobile services in Uruguay.

Relevant financial data

	2004*	2003*	Chg%	2004 US$ millions
Revenues	134,747	90,401	49.1%	11,962
EBITDA**	42,089	33,490	25.7%	3,736
EBITDA Margin	31.2%	37.0%		31.2%
Operating Profit	23,494	18,892	24.4%	2,086
Operating Margin	17.4%	20.9%		17.4%
Net Income	16,513	15,812	4.4%	1,466
Earnings per Share (EPS, pesos)	1.32	1.22	7.9%	0.12
Earnings per ADR (US dollars)	2.35	2.18	7.6%	
Stockholders' Equity	77,568	72,804	6.5%	6,885
Assets	194,621	157,762	23.4%	17,277
Average of Common Shares Outstanding (millions)	12,502	12,912		
Return on Equity (ROE)	21.3%	21.7%		

* millions of constant Mexican pesos as of December 31, 2004, except for earnings per share and per ADR

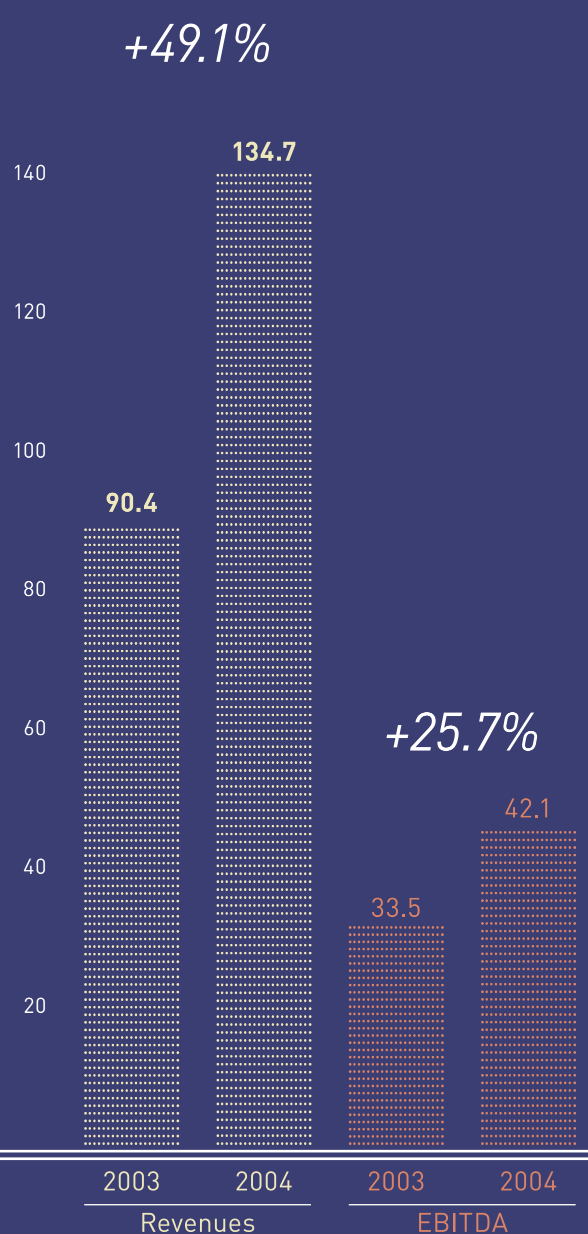
**We determine EBITDA as shown in the reconciliation below:

	2004*	2003*
Operating income	23,494	18,892
Plus		
Depreciation	12,257	10,232
Amortization	6,338	4,366
EBITDA	**42,089**	**33,490**

*millions of constant Mexican pesos as of December 31, 2004

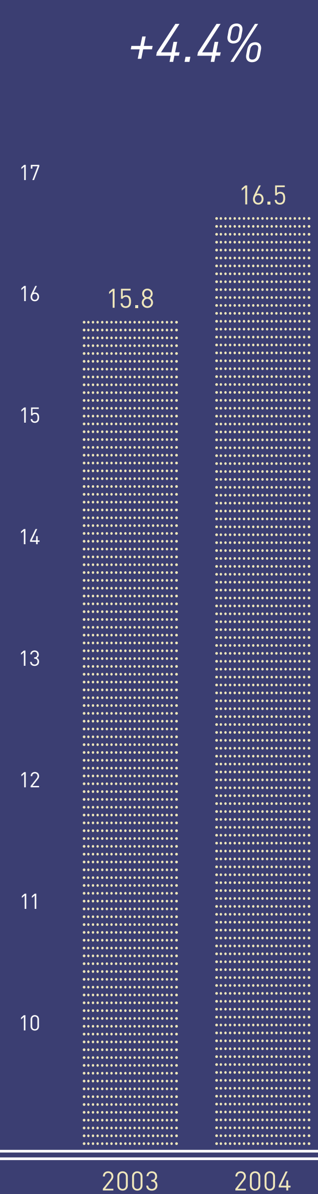
Revenues and EBITDA

(billions of constant Mexican pesos)



Net Income

(billions of constant Mexican pesos)



Revenues expanded by nearly 50% to 135 billion pesos

Letter to our shareholders

Buoyed by a sharp acceleration of subscriber growth in nearly all the countries where it operates, in 2004 América Móvil added 17.2 million wireless subscribers in what was its best annual increase ever, as several Latin American countries registered their best economic performance in years.

With relatively low inflation rates, small current-account deficits (or even surpluses), floating currencies, and controlled public-sector spending, a significant part of Latin America has again found the road to economic growth. The associated impact of economic growth on consumption levels in general, and on the wireless sector in particular, was doubtless the major driver of subscriber growth.

Since the last quarter of 2003 the advancement of penetration rates in the region was quite remarkable. It is telling that in the fifteen months to December 2004 Argentina's wireless penetration rate practically doubled, and that Brazil's increased by more than 50%. In fact, Mexico, Brazil and Argentina all ended the year with almost identical penetration rates, of approximately 36%, although they started the year at very different points. Colombia, Ecuador, Guatemala and El Salvador all saw their wireless penetration rates surpass 20% during the year, while in Honduras and Nicaragua, penetration rates made it into the double digits in the same period.

Subscriber growth exceeded our expectations everywhere. In some countries it took place at a truly exceptional pace, as was the case of Argentina—where our subscriber base increased by 150% in the year as the overall market nearly doubled in size—and of El Salvador, where our subscriber base increased by 140%. In Colombia, Ecuador, Guatemala and the U.S. América Móvil's subscribers went up by roughly 50% or more, whereas in Brazil, a market that had been expanding at a relatively modest pace since 2001, our subscriber base expanded by nearly as much.

Even in Mexico our net subscriber additions were ahead of the expectations we held at the beginning of the year. It should be noted that for the first time in the company's four-year history, the acquisition of wireless firms did not play a major role in the growth of our subscriber base; substantially all our subscriber additions in 2004 were organic.

By the second quarter of the year it was evident that our net subscriber additions were going to be larger than we had aimed for at the beginning of the year; and this was true of usage patterns as well in some countries. All of this had profound implications for our business planning, both short and medium term, for if we were to be able to accommodate the larger inflow of subscribers and the greater usage of wireless services per subscriber that we were expecting in several countries we had to raise our investment budget and execute a more complex and comprehensive program than we had originally envisaged, but in the same timeframe. We managed to complete in 2004 an investment program in the amount of 22 billion pesos, which was approximately 50% greater than the one considered in our original budget.

Last year's experience has led us to revise upwards our estimates of the penetration rates that the countries where we operate may attain in the next four to five years, both on account of a better macroeconomic outlook in the region and of the expectation that prices for both network equipment and handsets will continue to trend down, making it increasingly affordable for potential subscribers to join the market. It must be said that in our quest for penetration growth the GSM platform that we have put together in all of our operations will serve us well, given the extent and quality of the coverage already in place and the fact that it allows us to provide common services across our operations.

Notwithstanding the above, we face great challenges ahead. Deploying additional network capacity and coverage; strengthening customer care in markets that grow by millions of subscribers a year; and broadening our distribution channels are all counted among them. We should overcome such challenges with the considerable resources that constitute América Móvil's strength; first and foremost among these, our competitive workforce. It has made it possible for our operations to be rapidly and efficiently expanded while our cost base remains contained.

Our strong cash flow generation and sound financial structure come next. The former has come to reflect the strength of our operations, which have seen revenues and EBITDA more than triple in our four years of existence, to 135 billion pesos and 42 billion pesos, respectively. It has allowed us to fund significantly greater amounts of capital expenditures and engage in important share buy-backs (12 billion pesos in 2004 alone), all while maintaining a low and falling gearing ratio. Furthermore, to the extent that our cash flow is sufficient to cover our capital expenditures, it significantly reduces the execution risk associated with our future investment programs.

If 2004 is anything to go by, América Móvil is slated to grow faster than was forecast just a few months ago. It will likely reach out farther than was initially thought, establishing its presence in more countries and, within each country, in more places. And it will be a bigger company than most people expected. We would not be facing such auspicious perspective were it not for the unfailing confidence and support of our shareholders.

Patricio Slim Domit
Chairman of the Board

Daniel Hajj Aboumrad
Chief Executive Officer

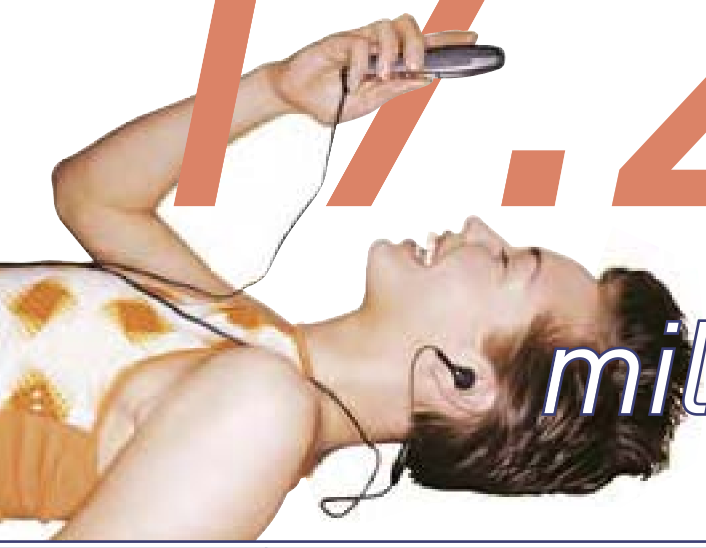
Subscriber growth exceeded our expectations everywhere. In some countries it took place at a truly exceptional pace.

With Latin America's economies performing in 2004 better than they had in years, we have seen a remarkable acceleration of wireless subcriber growth in the region. It seems likely that wireless growth in Latin America will proceed at a faster pace than was seen through the end of 2003 given the outlook for its continued economic expansion.

Faster

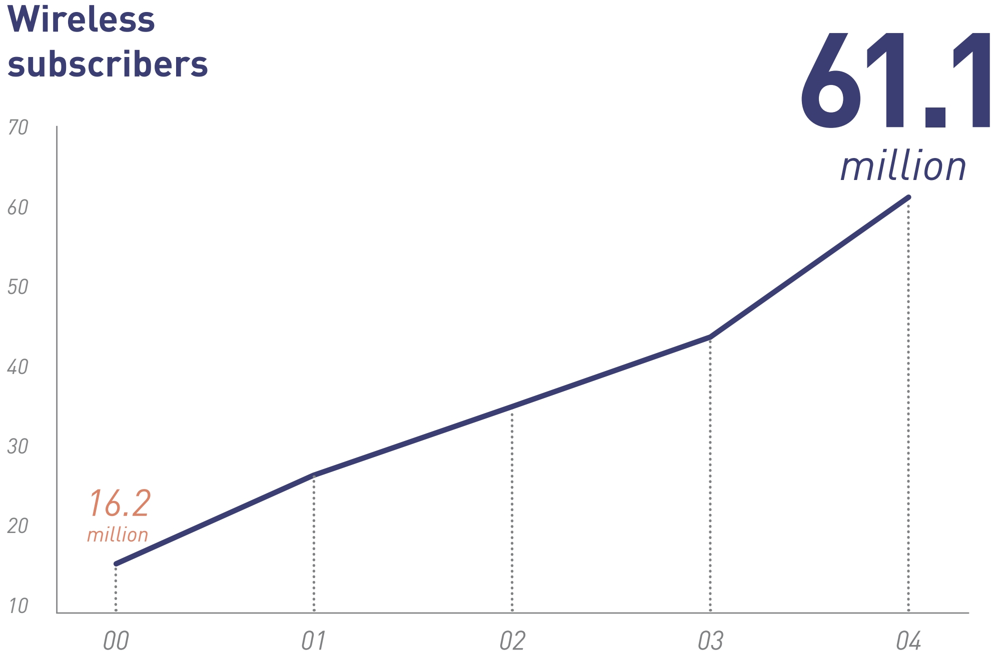
Faster

17.2 *million*



Net subscriber additions in 2004, almost all organic

Wireless subscribers



Due to sharp acceleration of our subscriber growth, during 2004 we undertook a...

América Móvil's wireless subscriber growth in 2004

Mexico	23%
Argentina	154%
Brazil	43%
Colombia	58%
Ecuador	51%
El Salvador	140%
Guatemala	50%
Honduras	626%
Nicaragua	105%
United States	49%

Farther

Farther

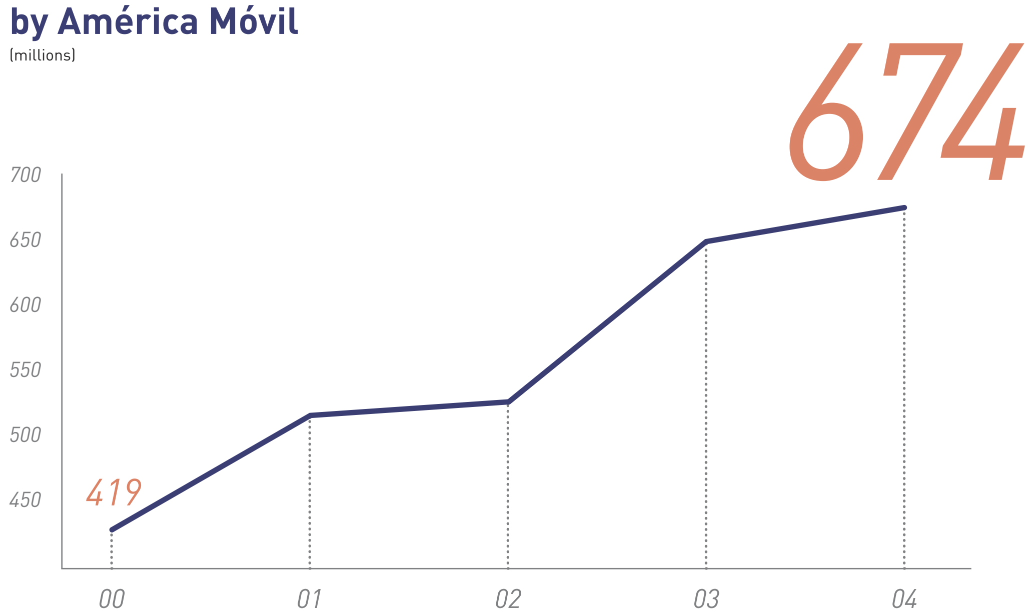
Several Latin American countries have already attained wireless penetration rates that not long ago were considered the highest those countries could obtain. However, subscriber growth there remains strong and will likely continue for several years more. The improved economic situation of Latin America and declining prices for network equipment and handsets point towards the region continuing to reach higher wireless penetration rates in the future.

WIRELESS OPERATIONS IN

11 COUNTRIES

IN THE AMERICAS

Population covered by América Móvil
(millions)



América Móvil has completed the construction of

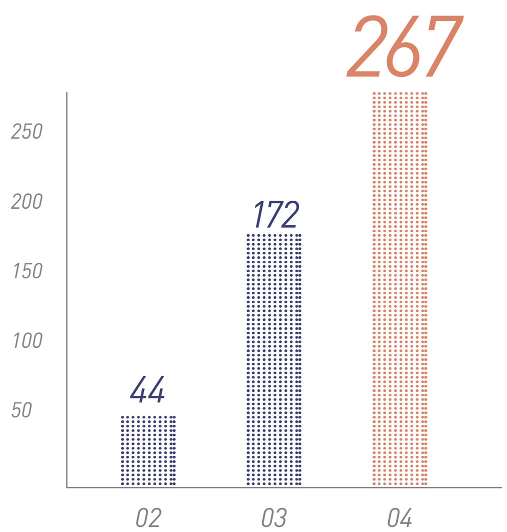
GSM Networks

in each of its operating countries, thereby providing a common platform for roaming and data services across countries

WE CONTINUED WITH OUR EXPANSION IN LATIN AMERICA, ESTABLISHING NEW OPERATIONS IN **NICARAGUA**, **HONDURAS** AND **URUGUAY**

América Móvil's GSM Coverage in Latin America

(millions)



Bigger

Bigger

A footprint that covers more countries and more places within each country… Wireless penetration rates in Latin America that will be higher than most people thought possible… All of this implies that América Móvil is evolving into a bigger and stronger company than was widely expected upon its inception four years ago.

WE ARE AMONG THE

5 *largest*

WIRELESS COMPANIES IN THE WORLD

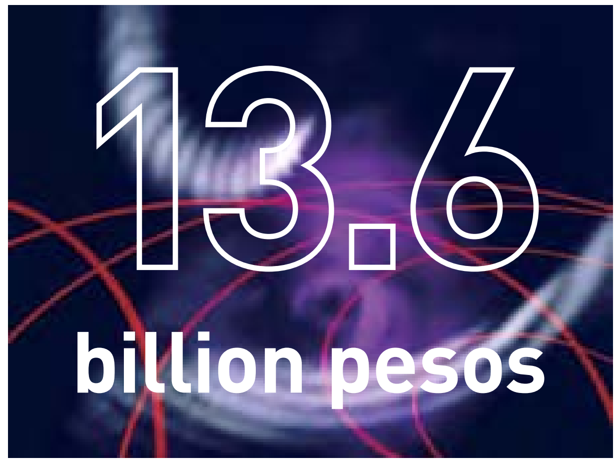
In terms of equity subscribers

Total traffic on our wireless networks increased by 52% to

61.2

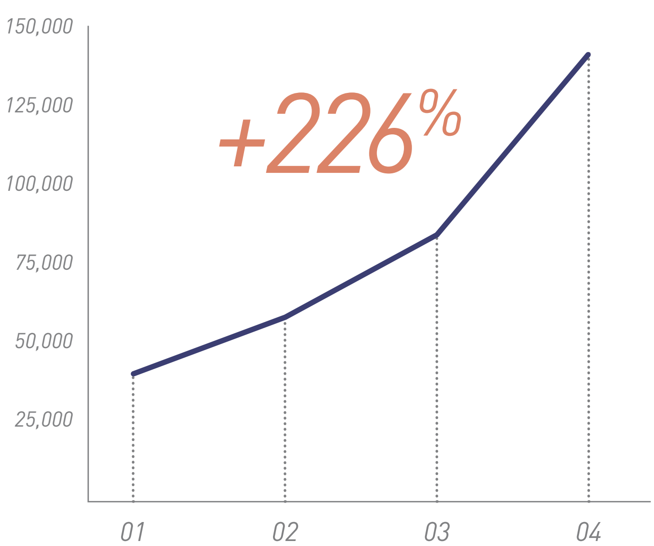
billion minutes

Our strong cash flow generation reflects the strength of our operations, which have seen revenues and EBITDA more than triple in the four years we have been in bussines

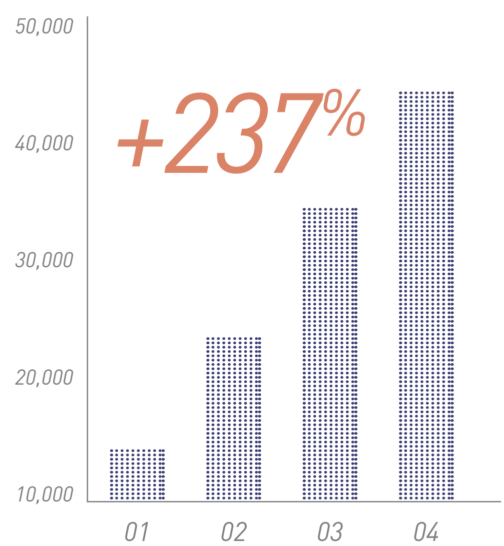


in stock buy-backs and dividend payments in 2004

Revenues
(millions of nominal Mexican pesos)



EBITDA
(millions of nominal Mexican pesos)



América Móvil

In 2004, América Móvil gained 17.2 million subscribers, nearly 1.5 times as many as in all of 2003. In that year the subscriber base increased by 12.1 million, but 4.2 million of those came through acquisitions; in 2004, substantially all the growth was organic. In the last quarter of 2004, América Móvil gained 7.0 million subscribers, making it the best quarter on record in terms of subscriber net additions. Total wireless subscribers ended the year at 61.1 million, for a 39% increase in the year. Together, fixed and wireless lines totaled 63.0 million at the end of 2004, 38% more than the 45.7 million lines seen in 2003.

Leading the subsidiaries in terms of net additions was Telcel, which acquired 5.4 million subscribers in 2004 and brought Mexico's subscriber base to nearly 29 million in December. The Brazilian operations, under the brand name Claro, reached 13.7 million subscribers at the end of December 2004, a net increase of 4.1 million compared to the previous year. On an annual basis, our subscriber base in Brazil expanded by 43%. Subscriber growth in Argentina accelerated throughout 2004, with CTI gaining 2.2 million in the year as a whole. At the end of 2004 CTI's subscriber base, 3.6 million, was 2.5 times greater than the one seen the previous year. Our operations in Colombia added 2.1 million new subscribers throughout the year and ended 2004 with 5.8 million subscribers. In Ecuador, net gains totaled 789 thousand in the year, and its subscriber

América Móvil's subsidiaries as of December 2004

Country	Company	Business	Equity Participation
Subsidiaries			
Mexico	Telcel	Wireless	100.0%
Argentina	CTI	Wireless	100.0%
Brazil	Telecom Américas	Wireless	97.8%
Colombia	Comcel	Wireless	99.2%
Ecuador	Conecel	Wireless	100.0%
El Salvador	CTE	Wireless, wireline	94.9%
Guatemala	Telgua	Wireless, wireline	99.0%
Honduras	Megatel	Wireless	100.0%
Nicaragua	Enitel	Wireless, wireline	99.0%
Uruguay	CTI	Wireless	100.0%
U.S.A.	Tracfone	Wireless	98.2%
Affiliate			
U.S.A	Telvista	Other	45.0%

base ended December with 2.3 million subscribers. For the second year in a row Tracfone, which operates in the United States, continued to exhibit subscriber growth of nearly 50%. It added 1.4 million clients in the year and finished 2004 with 4.4 million subscribers. Our Central American operations in Guatemala, El Salvador, Nicaragua and Honduras reached a combined figure of 2.5 million wireless subscribers in December, having added 1.1 million subscribers in 2004. Fixed lines in Central America reached 1.9 million at the end of the year.

In a year characterized by the acceleration of subscriber growth in the countries where it operates, América Móvil's revenues expanded by almost 50% relative to those of the previous year, reaching 134.7 billion pesos. As opposed to what was seen in its first three years of operations, when acquisitions had an important impact on the consolidated results of the company, in 2004 substantially all revenue growth was organic. EBITDA expanded by 26% in 2004, to a total of 42.1 billion pesos, in line with the company's target, but the EBITDA margin for the year came down to 31% from 37% in 2003.

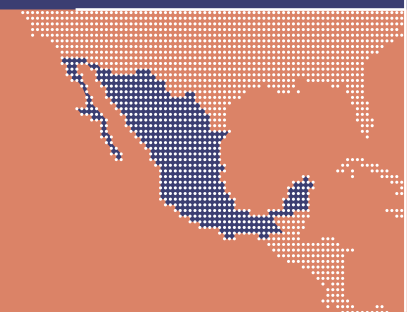
With consolidated gross subscriber additions up significantly in 2004 in relation to the ones observed a year earlier, subscriber acquisition costs were up as well and cut into the company's EBITDA margin.

América Móvil obtained an operating profit of 23.5 billion pesos in the year, 24% more than in 2003, as depreciation and amortization charges rose somewhat faster than EBITDA, reflecting the impact of higher capex figures.

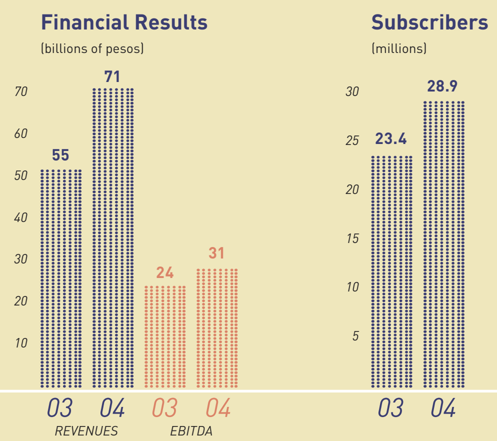
The company recorded a comprehensive financial income of 1.9 billion pesos in 2004, resulting from foreign exchange gains and from monetary gains associated with the effect of inflation on its net debt position. Together, these gains—which were greater than the ones seen in 2003—were more than sufficient to cover the net financial costs of the company's financial position. Net income for the year totaled 16.5 billion pesos, surpassing the previous year's by 4%. For the year as a whole, earnings per share were 1.32 pesos and per ADR, 2.35 dollars.

Including accrued interest, América Móvil's net debt ended the year at 42.4 billion pesos, almost flat in relation to 2003. The net debt position is equivalent to 1.0 times EBITDA. The company's operating cash flow allowed it to cover capital expenditures of 22.4 billion pesos, to acquire equity interests in various companies worth 6.1 billion pesos in all (net of divestments), and to buy-back stock and pay dividends in an aggregate amount of 13.6 billion pesos.

Mexico



- Telcel added 5.4 million subscribers in 2004
- Nearly 39% of subscribers are GSM
- EBITDA climbed 30% in the year



Telcel celebrated its fifteenth birthday with a reacceleration of subscriber growth in 2004, allowing it to obtain 5.4 million new subscribers in the year, compared to 3.4 million in 2003. By December, Telcel had a total of 28.9 million subscribers, 23% more than a year before. Strong subscriber growth allowed Mexico's wireless penetration to increase by 6.8 percentage points in 2004 to 36%.

Telcel's revenues expanded at an even faster pace (28%) than subscribers, ending the year at 70.8 billion pesos, with both MOUs and ARPUs continuing to trend up. In the case of the former, by 17% year-on-year, and as regards ARPUs, by 7%. Value-added services, and in particular short messages, continued to gain a greater share of service revenues.

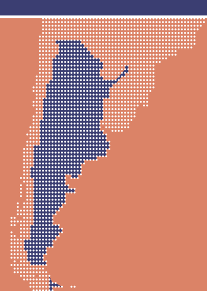
EBITDA climbed 30% in the year, to 30.6 billion pesos, and the EBITDA margin rose to 43.2% from 42.7% the previous year. Considering that gross subscriber additions in 2004 exceeded those of 2003 by 29% and that subscriber acquisition costs went up correspondingly, the fact that Telcel's EBITDA margin still went up is a testimony of the strength of its operation.

Telcel continued with the expansion of its GSM network, which covered 660 towns and cities by the end of the year and 130 of the country's main highways. GSM subscribers make up 39% of Telcel's subscribers.

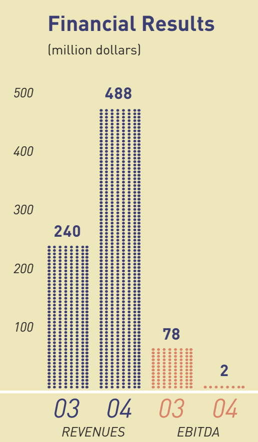
Contract plans that provided more airtime; improved pricing for on-net calls; and the introduction of new contract plans aimed at the youth and corporate segments of the market helped drive growth on the postpaid side. At the corporate level, new services included wireless email (BlackBerry) and push-to-talk (PoC) services over GPRS. Push-to-talk services allow for voice communication on a one-to several people basis, through the creation of calling groups. Telcel's service is available on GPRS networks worldwide with which Telcel has roaming agreements. BlackBerry, a voice and data service, allows for electronic email and synchronization with the computer agenda from GPRS networks with which Telcel has roaming agreements. Prepaid customers continued to benefit from several of Telcel's pricing promotions. Overall traffic on our network increased by nearly 46% with respect to the previous year.

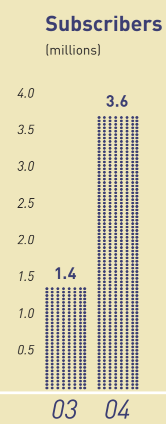
EDGE (Enhanced Data rates for Global Evolution) technology was implemented in Mexico in 2004 allowing for faster data transmission and more sophisticated data products. At present, the major cities in Mexico have incorporated EDGE technology.

Argentina



- CTI's subscriber base expanded 2.5 times, to 3.6 million subscribers
- MOU growth despite very rapid subscriber expansion
- Revenues doubled to 488 million dollars





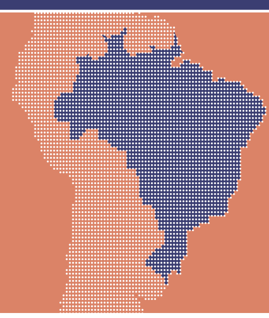
In Argentina América Móvil's subscriber base increased by 2.5 times in 2004, as CTI obtained 2.2 million new subscribers, growing faster than the market even as wireless penetration rates were being doubled.

Revenues soared in 2004, to 488 million dollars, and were approximately twice as large as the previous year's. The EBITDA margin fell to 0.4% for 2004 in light of the strong subscriber growth mentioned above and its impact on subscriber acquisition costs. Traffic levels expanded significantly through the year, with MOUs rising almost 17% in spite of the very fast pace of subscriber growth.

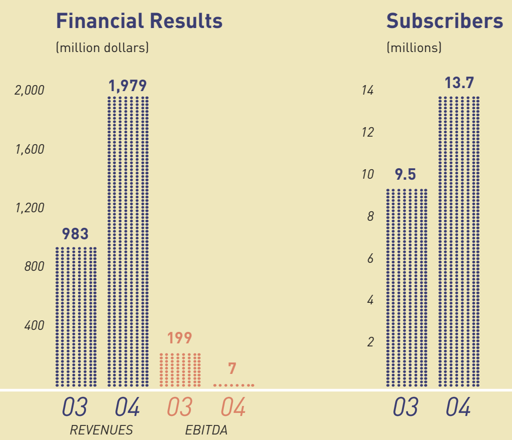
During 2004, CTI continued to expand GSM coverage in Argentina, that now reaches approximately 89% of the population. Our customers have access to a wide variety of voice and data services, such as short messaging and multimedia messaging, with nationwide GPRS and EDGE technology in all the principal cities of Argentina. For the corporate segment of our subscriber base, CTI Móvil launched private virtual networks and push-to-talk services over GPRS (CTI Directo). CTI also implemented 68 new international roaming agreements.

In a continued effort to improve customer service and make its products more accessible to a rapidly growing subscriber base, CTI opened new customer service centers and points of sale of handsets and prepaid cards.

Brazil



- Claro's subscribers reached 13.7 million
- GSM coverage extends to 1,520 cities
- Revenues doubled year-over-year, to 2.0 billion dollars



2004 marked a year of solid growth for Claro. Net subscriber additions for the year reached 4.1 million, with Claro's subscriber base ending the year with a total of 13.7 million subscribers, 43% more than at the close of 2003. Wireless penetration in Brazil increased by ten percentage points in the year, to nearly 37% of the population.

Consolidated revenues in Brazil totaled 2.0 billion dollars and more than doubled in comparison to the previous year. The rate of increase of revenues reflects the rate of growth of the client base, but also the incorporation in Claro of BSE, in the Northeast of Brazil, and BCP, in the metropolitan area of Sao Paulo, in May and December of 2003.

EBITDA for the year was seven million dollars, or 0.4% of revenues. The acceleration of subscriber growth led to a 2.3 times increase in the consolidated level of gross subscriber additions in relation to 2003. Through its impact on subscriber acquisition costs, this

ended up reducing Claro's EBITDA margin for the year.

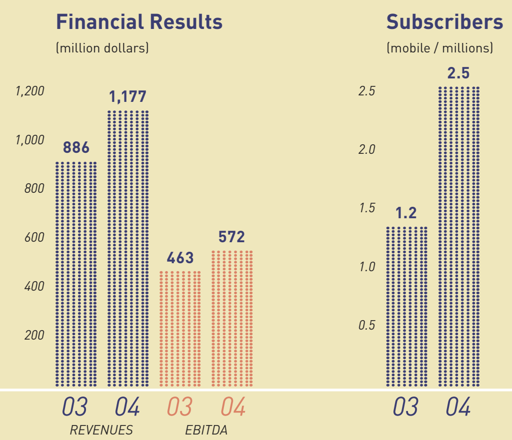
Claro further expanded the coverage and capacity of its GSM network, which now covers more than 1,520 cities. This coverage now enables the company to serve more than 90% of the urban population in the areas where it operates. Furthermore, the company also expanded its international roaming coverage to 73 countries in 5 continents.

In the second quarter of the year, Claro launched Claro Idéias (Claro Ideas), a service that allows customers to download new contents such as polyphonic hits, MP3, images, games and videos. Since that launch, the company has reported a significant increase in data traffic (e.g. doubling the monthly average of downloads).

Claro has also announced the introduction of new services, which have at first been directed to business customers. These include push-to-talk over cellular (PoC), which allows users to communicate by pressing a button, thereby making information sharing both easier and faster. Through the Claro Direito service, which uses this technology, Claro keeps pace with the high-speed technological evolution of the telephone services provided for the business segments. The other service introduced by Claro in 2004 was EDGE. The technology assures customers data transmission up to four times the speed previously available. The connection compares to broadband Internet access in terms of speed. The Claro GSM network is, from the outset, compatible with the EDGE technology, which represents a technical progress towards 3G.

Central America

- Wireless subscribers doubled to 2.5 million
- Fixed lines reached 1.9 million
- 49% EBITDA margin for the year



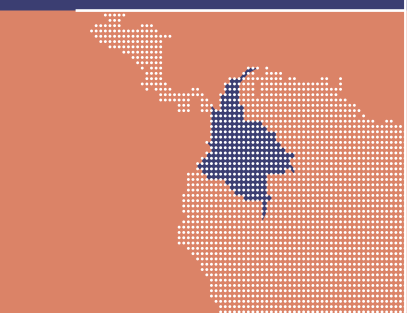
América Móvil continued to expand its footprint in Central America with the acquisition of Megatel in Honduras and Enitel in Nicaragua. At the time of its acquisition, Megatel had 98 thousand wireless subscribers whereas Enitel had 190 thousand wireless subscribers and 210 thousand fixed-line customers. In December, América Móvil increased its stake in the fixed line and wireless operator CTE in El Salvador to 94.9%.

Combined figures for our Central American operations comprising Guatemala, El Salvador, Nicaragua and Honduras indicate 1.1 million net additions in the year, and 2.5 million subscribers at the end of the period. Overall, our Central American operations more than doubled their wireless subscriber base in relation to the end of 2003 through organic growth and the acquisitions referred to before. The number of fixed lines rose 3.2%, bringing the total lines in service to 1.9 million.

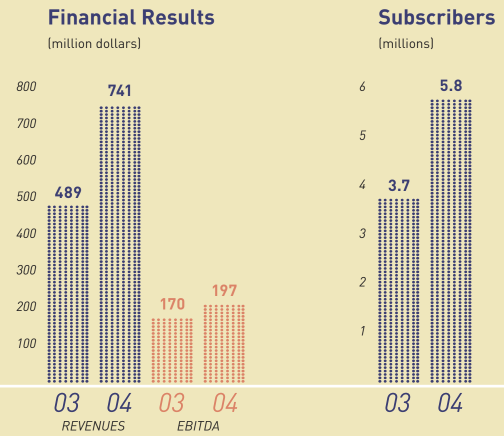
Revenues of our Central American operations reached 1.2 billion dollars in 2004, 33% more than in the previous year whereas EBITDA rose to 572 million dollars, a 24% annual increase. The EBITDA margin came in at 49% in 2004.

We continued the expansion of our GSM coverage in Central America in 2004, which now extends to more than 11.2 million people in the region. Our GSM and GPRS network allowed us to market data products such as short messages, multimedia messages, MP3 and WAP Internet connection. SMS traffic between our various operations in the region was also introduced in the mobile market. We increased the number of roaming agreements with international operators and offered roaming capabilities between our Central American operations for the first time to our prepaid clients. Throughout the region, fixed line data services and local and long-distance traffic showed strong growth in 2004.

Colombia



- Subscriber base grew 58% in 2004
- Largest network coverage in Colombia
- Revenues rose to 741 million dollars

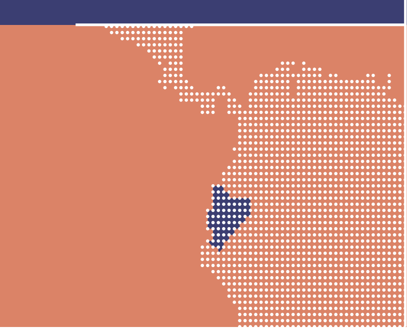


Our Colombian operations ended the year with 5.8 million subscribers, a 58% increase with respect to the previous year. Net subscriber additions for the year surpassed 2.1 million subscribers, more than twice as many as those registered in 2003, making 2004 our biggest year in terms of net additions in Colombia. Comcel remains our third largest subsidiary in terms of subscribers.

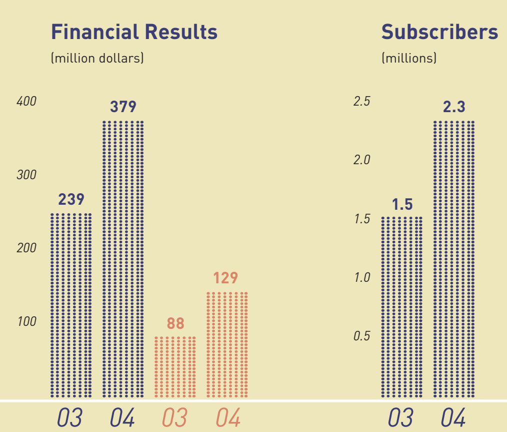
In addition to solid economic growth, broader coverage, greater variety of equipment and plans, and better customer service were key in driving subscriber growth in 2004. Capital expenditures were directed towards the expansion of the mobile infrastructure allowing Comcel to strengthen its nationwide footprint and retain its position as the leading wireless provider in Colombia. A wide range of handsets and plans for postpaid customers, new outlets for prepaid products and several new customer service centers distinguished Comcel from the competition. To increase efficiency, Comcel merged its operations with those of its subsidiaries Occel and Celcaribe.

Comcel's revenues rose to 741 million dollars and were up 52% relative to the previous year. Traffic growth underpinned that of revenues, as minutes of use per subscriber increased 53% from a year earlier despite strong subscriber growth. EBITDA increased 16% in the year, to 197 million dollars. Faster subscriber growth during 2004 and the associated increase in subscriber acquisition costs pushed EBITDA margins down to 27%.

Ecuador



- 2.3 million subscribers in 2004
- 379 million dollars in revenues
- Revenue growth outpaced subscribers

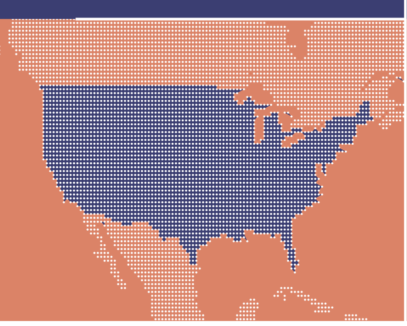


Our subscriber base in Ecuador increased 51% during the course of the year to reach 2.3 million subscribers. Almost 800 thousand subscribers were added in 2004. Wireless market penetration in Ecuador rose to 28% in 2004.

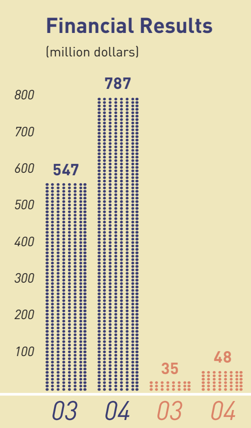
Revenues of our Ecuadorian subsidiary Conecel, which operates under the commercial name Porta, rose at a faster pace than subscribers (59%) and reached a total of 379 million dollars. Conecel's 2004 EBITDA rose 47% year-on-year, topping 129 million dollars, accounting for an EBITDA margin of 34% of revenues.

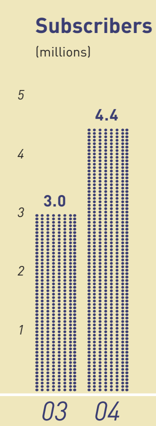
Our success in Ecuador through 2004 has been driven by continued expansion of our prepaid and postpaid services such as new value added services available through our Porta Ideas web page and membership rewards programs that promote customer loyalty. Prepaid card sales actually rose 69% in the year while prepaid equipment sales rose by 343%. We continued to improve customer service at Porta with 14 new customer service centers and the remodeling of several others. The share of sales realized through our own customer attention centers actually rose 500 basis points in 2004. Conecel also began a process to obtain the ISO 9000 Certification, which corroborates our excellent quality of service.

United States



- 50% subscriber growth for second consecutive year
- Largest prepaid wireless provider and MVNO
- Revenues rose to 787 million US dollars





Our operations in the United States obtained 1.4 million subscribers in 2004, bringing their total subscriber base to nearly 4.4 million. For the second consecutive year, subscriber net additions expanded by approximately 50%. Tracfone finished 2004 as the largest prepaid wireless service provider and Mobile Virtual Network Operator (MVNO) in the United States. Through agreements with all major US wireless carriers, Tracfone can offer its customers nationwide coverage. During the second half of 2004, Tracfone launched GSM equipment sales. The prepaid phones, equipped with patented technology which allows customers to keep track of their spending at all times, are sold through major retailers and on-line as well.

Revenues increased slightly less (44%) than subscribers, to 787 million dollars. EBITDA for the year came in at 48 million dollars and was 36% higher than that seen the year before, with the EBITDA margin staying in the 6% range in spite of the fast pace of subscriber growth.

Board members

as of December 2004

Carlos Slim Helú
Honorary Chairman and Member of the Executive Committee
Principal Occupation: Honorary Chairman of the Board of Directors of Grupo Carso
Born: 1940

Patrick Slim Domit
Chairman
Principal Occupation: Director of América Telecom
Born: 1969

Daniel Hajj Aboumrad
Director and Member of the Executive Committee
Principal Occupation: Chief Executive Officer of América Móvil
Born: 1966

Jaime Chico Pardo
Director
Principal Occupation: Chief Executive Officer of Teléfonos de México
Born: 1950

Alejandro Soberón Kuri
Director and Chairman of the Audit Committee
Principal Occupation: Chairman and Chief Executive Officer of Corporación Interamericana de Entretenimiento
Born: 1960

María Asunción Aramburuzabala Larregui
Director and Member of the Audit Committee
Principal Occupation: Chief Executive Officer Tresalia Capital
Born: 1963

Rafael Robles Miaja
Director and Corporate Secretary
Principal Occupation: Partner, Galicia y Robles
Born: 1965

Jonathan P. Klug
Director
Principal Occupation: Vice-President Finance of SBC International, Inc.
Born: 1956

James W. Callaway
Director and Member of the Executive Committee
Principal Occupation: Group President of SBC Communications, Inc.
Born: 1946

Claudio X. González Laporte
Director and Member of the Compensation Committee
Principal Occupation: Chief Executive Officer of Kimberly Clark de México
Born: 1934

David Ibarra Muñoz
Director and Member of the Audit Committee and the Compensation Committee
Principal Occupation: Director of Grupo Financiero Inbursa
Born: 1930

Carlos Bremer Gutiérrez
Director
Principal Occupation: Director of Grupo Financiero Value
Born: 1960

Statutory Auditors:

Francisco Álvarez Del Campo
Statutory Auditor
Principal Occupation: Partner Mancera, Ernst & Young
Born: 1957

Agustin Aguilar Laurents
Alternate Statutoy Auditor
Principal Occupation: Partner Mancera, Ernst & Young
Born: 1956

Directory

América Móvil

Daniel Hajj Aboumrad
Chief Executive Officer

Carlos García Moreno Elizondo
Chief Financial Officer

Carlos Cárdenas Blásquez
Executive Director
Latin America Operations

Alejandro Cantú Jiménez
General Counsel

Mexico

Patricia Hevia Coto
Director, Operations

Salvador Cortés Gómez
Director, Operations

Fernando Ocampo Carapia
Chief Operating Officer

Argentina

Carlos Zenteno de los Santos
Chief Executive Officer

Carlos Stea
Chief Financial Officer

Uruguay

Julio Carlos Porras Zadik
Chief Operating Officer

Brazil

Luis Cosío Prior
Chief Executive Officer

Alfonso Gallardo Sosa
Chief Financial Officer

Rogelio Viesca Arrache
Director, Operations

Colombia

Adrián Hernández Urueta
Chief Executive Officer

Gerardo Muñoz Lozano
Chief Financial Officer

Ecuador

Javier Egea Ortega
Chief Executive Officer

Marco Antonio Campos García
Chief Financial Officer

United States

F.J. Pollak
Chief Executive Officer

Gustavo Blanco Villanueva
Executive Director

Guatemala

Reyes Sandoval Palma
Chief Executive Officer

José Cervantes Rivera
Chief Financial Officer

El Salvador

Alberto Davison Mendoza
Chief Operating Officer

Enrique Luna Roshardt
Chief Financial Officer

Nicaragua

David Ibarra Cardona
Chief Executive Officer

Mario Soto Padilla
Chief Financial Officer

Honduras

Ricardo Frías Ruíz
Chief Operating Officer

Aldo Boquín Zamora
Chief Financial Officer

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 March 8, 2005.

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, 2004.

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, 2004. 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, 2004, 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

	2004	2003	2002	2001	CAGR 2001-2004
OPERATING RESULTS[1]					
Revenues	**134,747**	90,401	62,843	47,817	29.6%
Cost of Sales	**65,416**	39,419	26,699	20,509	33.6%
SG&A Expenses	**27,242**	17,492	13,394	12,868	20.6%
EBITDA	**42,089**	33,490	22,750	14,440	30.7%
EBITDA Margin	**31.2%**	37.0%	36.2%	30.2%	
Depreciation and Amortization	**18,595**	14,598	9,053	5,176	37.7%
Impairment Charges			43	2,243	n.a.
Operating Income	**23,494**	18,892	13,654	7,021	35.3%
Operating Margin	**17.4%**	20.9%	21.7%	14.7%	
Comprehensive Financing (Cost) Income, net	**1,908**	2,234	(1,076)	(699)	n.a.
Other Income (Loss), net	**89**	(1,099)	284	445	n.a.
Income before Income Taxes and Employee Profit Sharing	**25,491**	20,027	12,862	6,767	39.3%
Income before Equity in Results of Affiliates	**16,959**	16,318	9,271	3,085	53.1%
Income (Loss) before Minority Interest	**16,867**	16,182	4,885	(1,193)	n.a.
Net Income (Loss)	**16,513**	15,812	5,032	(1,193)	n.a.
BALANCE SHEET					
Cash and Cash Equivalents	**19,108**	10,605	11,595	14,365	7.4%
Accounts Receivable, net	**20,808**	12,007	6,861	5,068	42.3%
Other Current Assets	**15,397**	8,475	4,904	6,602	23.6%
Plant, Property and Equipment, net	**84,913**	74,855	66,263	46,216	16.4%
Investment in Affiliates and Others	**652**	2,681	3,462	27,089	-60.6%
Deferred Assets and Other	**53,743**	49,139	30,552	7,782	62.1%
Total Assets	**194,621**	157,762	123,638	107,122	16.1%
Short Term Debt[2]	**5,392**	12,737	11,189	7,288	-7.3%
Accounts Payable and Accrued Liabilities	**36,570**	20,980	11,966	11,041	34.9%
Other Current Liabilities	**12,607**	8,132	5,089	3,451	38.3%
Long Term Debt	**56,067**	39,135	39,340	17,540	33.7%
Other Long Term Liabilities	**6,416**	3,974	2,252	2,337	28.7%
Total Stockholders' Equity	**77,568**	72,804	53,800	65,466	4.3%
Stockholders' Equity and Total Liabilites	**194,621**	157,762	123,638	107,122	16.1%

(1) Millions of Mexican pesos as of December 31, 2004
(2) Includes current portion of Long Term Debt

Financial Statements

Years ended December 31, 2004 and 2003 with Report of Independent Registered Public Accounting Firm

CONTENTS

Report of Independent Registered Public Accounting Firm

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, 2003 and 2004 and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the three years in the period ended December 31, 2004. 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 accounted for 8% of total operating revenues for the year ended December 31, 2002, as well as the financial statements of TracFone Wireless, Inc., which statements accounted 1% of total assets and 7% of total operating revenues at December 31, 2004 and for the year then ended, of the related consolidated amounts. Those financial statements, presented in accordance with International Financial Reporting 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 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 in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts (including the Company's conversion of the financial statements of foreign subsidiaries to accounting principles generally accepted in Mexico) and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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, 2003 and 2004, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in Mexico, which differ in certain respects from those followed in the United States of America. (See Note 22)

Mancera, S.C.

A Member Practice of Ernst & Young Global

C.P.C. Agustín Aguilar Laurents

Mexico City, Mexico
February 25, 2005,

(except for Note 20 b) as to which the date is March 9, 2005)

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 consolidated financial statements for the year ended December 31, 2004, as submitted to you by the Board of Directors.

Among the auditing procedures applied, I personally attended, or in my absence the alternate statutory auditor, the stockholders' and the Board of Directors' meetings to which I was summoned. I reviewed, to the extent that I considered necessary in the circumstances, the unqualified report of the Company's independent auditors dated February 25, 2005, 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, 2004, 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.

C.P.C. Francisco Álvarez Del Campo

Mexico City, Mexico
February 25, 2005

(except for Note 20 b) as to which the date is March 9, 2005)

Consolidated Balance Sheets

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2004)

	December 31, 2003	December 31, 2004	Million of U.S. dollars 2004
ASSETS			
Current assets:			
Cash and cash equivalents	P. 9,769,165	**P. 16,518,146**	**$ 1,466**
Marketable securities (Note 3)	836,126	**2,590,038**	**230**
Accounts receivable, net (Note 4)	12,007,108	**20,807,599**	**1,847**
Related parties (Note 16)	681,426	**977,298**	**87**
Inventories, net (Note 5)	5,500,654	**11,243,231**	**998**
Prepaid expenses (Note 6)	194,387	**173,258**	**15**
Other current assets, net (Note 7)	2,098,362	**3,002,894**	**267**
Total current assets	31,087,228	**55,312,464**	**4,910**
Investments in affiliates and others (Note 9)	2,680,871	**652,070**	**58**
Plant, property and equipment, net (Note 7)	74,854,931	**84,913,441**	**7,538**
Prepaid expenses (Note 6)	2,836,476	**2,425,611**	**215**
Licenses, net (Note 8)	27,147,383	**27,971,131**	**2,483**
Trademarks, net (Note 8)	8,294,001	**7,057,238**	**627**
Goodwill, net (Note 8)	8,445,020	**9,523,412**	**845**
Other non current assets, net (Note 7)	2,416,517	**6,765,661**	**601**
Total assets	P. 157,762,427	**P. 194,621,028**	**$ 17,277**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt and current portion of long-term debt (Note 13)	P. 12,736,716	**P. 5,392,488**	**$ 479**
Accounts payable and accrued liabilities (Note 12)	20,979,828	**36,569,984**	**3,246**
Taxes payable	3,132,604	**5,367,950**	**477**
Related parties (Note 16)	136,245	**157,164**	**14**
Deferred revenues	4,863,250	**7,082,045**	**629**
Total current liabilities	41,848,643	**54,569,631**	**4,845**
Long-term debt (Note 13)	39,135,465	**56,067,353**	**4,977**
Deferred taxes (Note 18)	3,838,230	**6,193,385**	**550**
Deferred credits	136,124	**222,770**	**20**
Total liabilities	84,958,462	**117,053,139**	**10,392**
Stockholders' equity (Note 17):			
Capital stock	32,810,299	**32,795,120**	**2,911**
Retained earnings:			
Prior years	34,369,266	**36,214,535**	**3,215**
Net income for the year	15,811,777	**16,513,318**	**1,466**
	50,181,043	**52,727,853**	**4,681**
Other accumulated comprehensive loss items	(15,550,719)	**(9,614,498)**	**(854)**
Total majority stockholders' equity	67,440,623	**75,908,475**	**6,738**
Minority interest	5,363,342	**1,659,414**	**147**
Total stockholders' equity	72,803,965	**77,567,889**	**6,885**
Total liabilities and stockholders' equity	P. 157,762,427	**P. 194,621,028**	**$ 17,277**

The accompanying notes are an integral part of this financial statement.

Consolidated Statements of Income

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2004, except for earnings per share)

	Year ended December 31, 2002	2003	**2004**	**Million of U.S. dollars 2004**
Operating revenues:				
Services:				
Usage charges	P. 34,560,258	P. 51,385,074	**P. 70,180,060**	**$ 6,230**
Monthly rent	11,323,018	12,243,427	**18,147,241**	**1,611**
Long-distance	5,208,076	7,769,316	**10,782,733**	**957**
Other services	4,183,296	6,307,516	**11,611,124**	**1,031**
Sales of handsets and accessories	7,568,585	12,695,974	**24,025,639**	**2,133**
	62,843,233	90,401,307	**134,746,797**	**11,962**
Operating costs and expenses:				
Cost of sales	22,872,652	35,314,659	**61,147,278**	**5,428**
Cost of sales and services with related parties (Note 16)	3,826,385	4,104,539	**4,268,679**	**379**
Commercial, administrative and general	12,702,942	16,935,253	**26,505,586**	**2,353**
Commercial, administrative and general with related parties (Note 16)	691,324	556,510	**736,495**	**65**
Impairment of investments in affiliates (Note 9)	42,910			
Depreciation and amortization (Notes 7 and 8) (includes P. 6,318,052, P. 10,829,363 and P. 13,388,473 for the years ended December 31 2002, 2003 and 2004, respectively not included in cost of sales)	9,052,928	14,598,121	**18,595,102**	**1,651**
	49,189,141	71,509,082	**111,253,140**	**9,876**
Operating income	13,654,092	18,892,225	**23,493,657**	**2,086**
Comprehensive financing (cost) income:				
Interest income	1,474,241	2,506,211	**2,315,642**	**206**
Interest expense	(2,565,751)	(3,976,257)	**(4,592,941)**	**(408)**
Interest (expense) income with related parties, net (Note 16)	(60,184)	4,950	**(661)**	**(1)**
Exchange (loss) gain, net	(1,605,640)	1,425,099	**2,444,331**	**217**
Monetary gain, net	3,021,033	2,472,804	**2,952,305**	**262**
Other financing cost, net	(1,339,851)	(199,224)	**(1,210,282)**	**(107)**
	(1,076,152)	2,233,583	**1,908,394**	**169**
Other income (loss), net	284,080	(1,099,176)	**88,875**	**8**
Income before income tax and employee profit sharing	12,862,020	20,026,632	**25,490,926**	**2,263**
Provisions for:				
Income tax (Note 18)	3,377,974	3,447,629	**7,991,676**	**709**
Employee profit sharing	212,803	260,805	**539,770**	**49**
	3,590,777	3,708,434	**8,531,446**	**758**
Income before equity in results of affiliates	9,271,243	16,318,198	**16,959,480**	**1,505**
Equity in net results of affiliates	(4,386,165)	(136,312)	**(92,763)**	**(8)**
Net income before minority interest	4,885,078	16,181,886	**16,866,717**	**1,497**
Minority interest	146,892	(370,109)	**(353,399)**	**(31)**
Majority net income	P. 5,031,970	P. 15,811,777	**P. 16,513,318**	**$ 1,466**
Weighted average of common shares outstanding (in million)	13,123	12,912	**12,502**	**12,502**
Majority net income earnings per share	P 0.38	P 1.22	**P 1.32**	**$ 0.12**

The accompanying notes an integral part of this financial statement.

Consolidated Statements of Changes in Stockholders' Equity

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2004)

	Capital Stock	Reserve for purchase of Company's own shares	Retained Legal Reserve
Balances at December 31, 2001	P. 32,820,078	P. 3,914,964	P. 432,935
Dividends paid			
Cash purchase of Company's own shares	(7,976)	(2,297,787)	
Minority interest related to current year acquisitions			
Comprehensive income:			
Net income for the year			
Other comprehensive income items:			
Effect of translation of foreign entities			
Results from holding nonmonetary assets, net of deferred taxes			
Comprehensive loss:			
Balances at December 31, 2002	32,812,102	1,617,177	432,935
Cumulative effect of adoption of a new accounting principle (Note 2o)			
Excess of the book value over price paid to acquire minority interests			
Increase in reserve for purchase of Company's own shares		5,387,831	
Dividends paid			
Cash purchase of Company's own shares	(1,803)	(1,024,294)	
Minority interest related to current year acquisitions			
Comprehensive income:			
Net income for the year			
Other comprehensive income:			
Effect of translation of foreign entities			
Results from holding nonmonetary assets, net of deferred taxes			
Comprehensive income			
Balances at December 31, 2003	32,810,299	5,980,714	432,935
Transactions between entities under common control (Note 9)			
Increase in reserve for purchase of Company's own share		**10,341,000**	
Dividends paid			
Cash purchase of Company's own shares	**(15,179)**	**(12,412,794)**	
Minority interest related to current year acquisitions			
Comprehensive income:			
Net income for the year			
Other comprehensive income:			
Effect of translation of foreign entities			
Results from holding nonmonetary assets, net of deferred taxes			
Comprehensive income:			
Balances at December 31, 2004 (Note 17)	**P. 32,795,120**	**P. 3,908,920**	**P. 432,935**

The accompanying notes an integral part of this financial statement.

earnings						
Unappropriated	Total	Other accumulated comprehensive loss items	Total majority stockholders' equity	Minority interest	Comprehensive (loss) income	Total stockholders' equity
P. 30,102,613	P. 34,450,512	P. (2,671,912)	P. 64,598,678	P. 864,496		P. 65,463,174
(650,385)	(650,385)		(650,385)			(650,385)
	(2,297,787)		(2,305,763)			(2,305,763)
				1,161,045		1,161,045
5,031,970	5,031,970		5,031,970	(146,892)	P. 4,885,078	4,885,078
		(15,841,734)	(15,841,734)	(616,661)	(16,458,395)	(16,458,395)
		1,679,242	1,679,242	26,339	1,705,581	1,705,581
					P. (9,867,736)	
34,484,198	36,534,310	(16,834,404)	52,512,008	1,288,327		53,800,335
(117,890)	(117,890)		(117,890)		P. (117,890)	(117,890)
(187,741)	(187,741)		(187,741)			(187,741)
(5,387,831)						
(835,119)	(835,119)		(835,119)			(835,119)
	(1,024,294)		(1,026,097)			(1,026,097)
				3,447,512		3,447,512
15,811,777	15,811,777		15,811,777	370,109	16,181,886	16,181,886
		7,353,835	7,353,835	330,633	7,684,468	7,684,468
		(6,070,150)	(6,070,150)	(73,239)	(6,143,389)	(6,143,389)
					P. 17,605,075	
43,767,394	50,181,043	(15,550,719)	67,440,623	5,363,342		72,803,965
18,235	**18,235**		**18,235**			**18,235**
(10,341,000)						
(1,571,949)	**(1,571,949)**		**(1,571,949)**			**(1,571,949)**
	(12,412,794)		**(12,427,973)**			**(12,427,973)**
				(4,304,854)		**(4,304,854)**
16,513,318	**16,513,318**		**16,513,318**	**353,399**	**P. 16,866,717**	**16,866,717**
		8,420,671	**8,420,671**	**255,244**	**8,675,915**	**8,675,915**
		(2,484,450)	**(2,484,450)**	**(7,717)**	**(2,492,167)**	**(2,492,167)**
					P. 23,050,465	
P. 48,385,998	**P. 52,727,853**	**P. (9,614,498)**	**P. 75,908,475**	**P. 1,659,414**		**P. 77,567,889**

Consolidated Statements of Changes in Financial Position

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2004)

	Year ended December 31, 2002	2003	**2004**	Million of U.S. dollars **2004**
Operating activities:				
Net income before minority interest	P. 4,885,078	P. 16,181,886	**P. 16,866,717**	**$ 1,497**
Add (deduct) items not requiring the use of resources:				
Depreciation	6,759,028	10,231,574	**12,256,787**	**1,088**
Amortization	2,293,900	4,146,207	**5,595,918**	**497**
Amortization of loss on sale and lease back		140,998	**483,491**	**43**
Amortization of prepaid expenses		79,342	**258,906**	**23**
Deferred income tax and employee profit sharing	(400,730)	84,399	**2,665,933**	**237**
Impairment in affiliates	42,910			
Equity in results of affiliates	4,386,165	136,312	**92,763**	**8**
	17,966,351	31,000,718	**38,220,515**	**3,393**
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(1,793,731)	(5,145,891)	**(8,800,491)**	**(781)**
Prepaid expenses	(246,706)	(3,171,863)	**173,088**	**15**
Inventories	650,406	(2,211,160)	**(5,742,577)**	**(510)**
Other assets		(3,738,522)	**(5,737,167)**	**(509)**
Increase (decrease) in:				
Accounts payable and accrued liabilities	926,307	9,013,702	**15,590,156**	**1,384**
Related parties	1,037,603	(20,078)	**(274,953)**	**(24)**
Deferred revenues and credits	1,225,300	2,046,040	**2,900,644**	**256**
Taxes payable	650,092	2,772,003	**1,507,187**	**134**
Resources provided by operating activities	20,415,622	30,544,949	**37,836,402**	**3,358**
Financing activities:				
New loans	44,022,962	23,680,609	**47,888,467**	**4,251**
Repayment of loans	(16,234,450)	(20,995,436)	**(35,404,928)**	**(3,143)**
Decrease in capital stock and retained earnings due to purchase of Company's own shares	(2,305,763)	(1,026,097)	**(12,427,973)**	**(1,103)**
Cash dividends paid	(650,385)	(835,119)	**(1,571,949)**	**(140)**
Effect of inflation and exchange rate differences on debt	(2,086,011)	(1,342,525)	**(2,895,879)**	**(257)**
Resources provided by (used in) financing activities	22,746,353	(518,568)	**(4,412,262)**	**(392)**
Investing activities:				
Investment in plant, property and equipment	(26,808,086)	(23,520,032)	**(21,228,862)**	**(1,884)**
Investment in subsidiaries and affiliated companies	866,331	(2,221,683)	**584,107**	**52**
Investment in marketable securities	9,854,717	752,348	**(1,753,912)**	**(156)**
Minority interest		3,517,164	**(4,057,327)**	**(360)**
Initial cash from companies acquired	1,642,955	916,602	**322,083**	**29**
Investments in trademarks	(7,149,269)	(1,901,759)		
Investment in licenses	(14,483,388)	(7,806,562)	**(541,248)**	**(48)**
Resources used in investing activities	(36,076,740)	(30,263,922)	**(26,675,159)**	**(2,367)**
Net increase (decrease) in cash and cash equivalents	7,085,235	(237,541)	**6,748,981**	**599**
Cash and cash equivalents at beginning of the year	2,921,471	10,006,706	**9,769,165**	**867**
Cash and cash equivalents at end of the year	P. 10,006,706	P. 9,769,165	**P. 16,518,146**	**$ 1,466**

The accompanying notes are an integral part of this financial statement.

Notes to Consolidated Financial Statements

(Amounts in thousands of Constant Mexican Pesos as of December 31, 2004, except as indicated otherwise)

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.

América Móvil has subsidiaries and equity investments in affiliated companies in the telecommunications sector in Mexico, Guatemala, Nicaragua, El Salvador, Ecuador, Brazil, Argentina, Colombia, Honduras, Uruguay and the United States.

At December 31, 2003 and 2004 América Móvil's equity interest in its principal subsidiaries and affiliated companies is as follows:

Name of company	Location	Equity interest at December 31, 2003	2004
Subsidiaries: (1)			
Sercotel, S.A. de C.V.	Mexico	100.0%	**100.0%**
Radiomóvil Dipsa, S.A. de C.V. (Telcel)	Mexico	100.0	**100.0**
TracFone Wireless, Inc. (Tracfone)	USA	98.2	**98.2**
Telecom Américas, Ltd: (2)	Bermuda	97.5	**97.8**
Alecan Telecomunicacoes, Ltda.	Brazil	97.5	**97.8**
ATL-Telecom Leste, S.A.	Brazil	97.5	**97.8**
Americel, S.A.	Brazil	96.0	**96.3**
Telet, S.A.	Brazil	96.5	**96.8**
Tess, S.A.	Brazil	97.5	**97.8**
BSE, S.A.	Brazil	97.5	**97.8**
BCP, S.A.	Brazil	97.5	**97.8**
Stemar Telecomunicacoes, S. A.	Brazil	97.5	**97.8**
América Central Tel, S.A. (ACT):(3)	Guatemala	100.0	**100.0**
Telecomunicaciones de Guatemala, S.A. (Telgua)	Guatemala	98.8	**99.0**
Newcotel, S.A.	Guatemala	98.8	**99.0**
Servicios de Comunicaciones Personales Inalámbricas, S.A. (Sercom)	Guatemala	98.8	**99.0**
Servicios de Comunicaciones de Nicaragua,S.A.	Nicaragua	98.8	**99.0**
Telglob, S.A.	Guatemala	98.8	**99.0**
Telefonía Publica de Guatemala, S.A. (Publitel)	Guatemala	98.8	**99.0**
Arrendadora en Telecomunicaciones, S. A.	Guatemala		**98.3**
AMX El Salvador, LLC.	Delaware	100.0	**100.0**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (CTE) **(4)**	El Salvador	51.0	**94.9**
CTE Telecom Personal , S.A. de C.V. (Personal)	El Salvador	51.0	**94.9**
Cablenet, S.A. de C.V. (Cablenet)	El Salvador	51.0	**94.9**
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	51.0	**94.9**
Publicom, S.A. de C.V. (Publicom)	El Salvador	51.0	**94.9**
Comunicación Celular, S.A. (Comcel): (5)	Colombia	95.6	**99.2**
Occidente y Caribe Celular, S.A. (Occel)	Colombia	93.4	
Celcaribe, S.A.	Colombia	94.0	
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0	**100.0**
Techtel-LMDS Comunicaciones Interactivas, S. A.	Argentina	60.0	
CTI Holdings, S.A. (6)	Argentina	92.0	**100.0**
CTI Compañía de Teléfonos del Interior, S.A. (CTI Interior)	Argentina	92.0	**100.0**
CTI PCS, S.A. (CTI PCS)	Argentina	92.0	**100.0**
Empresa Nicaragüense de Telecomunicaciones S.A. (Enitel)	Nicaragua		**99.0**
Megatel de Honduras, S. A. de C.V. (Megatel) (7)	Honduras		**100.0**
AM Wireless Uruguay, S. A.	Uruguay		**100.0**
Affiliates: (1)			
Grupo Telvista S.A. de C.V. (formerly Organización Recuperadora de Cartera, S.A. de C.V.)	Mexico	45.0	**45.0**
Génesis Telecom, S.A.	Venezuela	25.0	**25.0**
Iberbanda, S.A.	Spain	17.8	**17.8**
Network Access Solutions	USA	2.0	**2.0**
US Commercial Corp, S.A. de C.V. (USCO)	Mexico	29.7	

(1) See Note 9 for a description of activity in subsidiaries and affiliates.

(2) The name "Telecom Américas" as used hereinafter will refer collectively to the companies Alecan, ATL, Americel, Telet, Tess, BSE, BCP, and STEMAR.

(3) Includes Nicaragua operations.

(4) The name "CTE" as used hereinafter will refer collectively to the companies: CTE, Personal, Cablenet, Telecomoda and Publicom.

(5) On December 31, 2004, Occidente y Caribe Celular, S.A. (Occel) and Celcaribe, S.A. were merged into Comunicación Celular, S.A. (Comcel), the surviving company. The merger gave rise to no important effects. All merged entities will hereinafter be referred to as Comcel.

(6) The name "CTI" as used hereinafter will refer collectively to the companies: CTI Holdings, CTI Interior and CTI PCS.

(7) In January 2005, Megatel changed its name to Servicios de Comunicaciones de Honduras, S.A.

América Móvil has licenses to install, operate and manage mobile telecommunications services in Mexico, Guatemala, Nicaragua, Honduras, Uruguay, El Salvador, Ecuador, Colombia, Argentina and Brazil. These licenses will expire on various dates between the years 2008 and 2028.

Generally, licenses granted to the Company do not require royalty payments to the respective governments, however, certain licenses awarded in Mexico, Brazil, Colombia, Argentina, Ecuador, Nicaragua and Honduras generate the payment of contributions to their respective governments, based in some cases on a percentage of revenue and in other cases on the number of channels in operation.

Telgua, CTE and Enitel provide fixed-line telephone services.

TracFone resells cellular airtime on a prepaid basis through retailers to customers who use telephones equipped with TracFone software. TracFone does not own a cellular infrastructure but purchases airtime from carriers throughout the United States.

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. Minority interest relates to the Company's foreign subsidiaries.

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

b) Revenue recognition

The Company recognizes revenues from the following activities: sale of airtime (including interconnection), monthly rent, long distance charges, other services (including roaming, value added services and other service charges), as well as the proceeds from the sale of cellular phones and accessories.

Revenues are 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 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. Such rates are regulated by the respective authorities.

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

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

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

Sales of handsets and accessories, which for the most part are made to authorized distributors, are recorded as revenue at the time the associated risks and benefits are translated to such distributors.

The Company usually does not charge activation fees to its customer; however, in certain regions and depending upon market and competition strategies, certain activation fees are charged. The Company recognizes these fees as well as the cost incurred to obtain a customer, in the statement of income when fees are billed. These revenues are not deferred because they are not material to the Company's financial statements.

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 income at the time the telephones are delivered to the distributor or customer.

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

e) Commissions paid to distributors
Commissions paid with respect to postpaid customers are recognized as expenses at the time the new customer is activated in the Company's records and may begin using the Company's network. Commissions paid with respect to prepaid customer are recognized as deductions in the revenues received from such customer.

Loyalty and sales volumes commissions are accrued on a monthly basis on the basis of statistical information regarding customer retention, sales volume and the number of acquired customers by each distributor. Loyalty commission are paid for each customer acquired by a distributor who remains as a customer of the Company for a specific period of time.

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, 2004. 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%

Inventories are valued at average cost and are 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 are 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, capital reserves and other non-monetary assets have been restated based on the NCPI.

Other accumulated comprehensive loss items include the deficit from restatement of stockholders' equity, which consists of the accumulated monetary position gain determined at the time the provisions of Bulletin B-10 were first applied, which at December 31, 2004 aggregates P. 17,326, 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 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 which in the aggregate account for approximately, 29%, 39% and 48% of the Company's total operating revenues in 2002, 2003 and 2004 and approximately 65% of the Company's total assets in 2003 and 2004, 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 MIPA, as follows:

- The financial statements as reported by the subsidiaries abroad are adjusted from local generally accepted principles in each country to conform to Mexican GAAP, which includes, among other adjustments, 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 income 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 income.

The difference resulting from the translation process is called "Effect of translation of foreign entities" and it is included in stockholders' equity under the caption "other accumulated comprehensive loss items." At December 31, 2002, 2003 and 2004, majority translation (loss) income aggregated P. (15,841,734), P. 7,353,835 and P. 8,420,671, respectively.

The Company's financial statements at December 31, 2002 and 2003, were restated to constant Mexican pesos with purchasing power at December 31, 2004 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 at the date acquired; marketable securities are represented by equity securities and foreign government bonds held for trading purposes and available for sale securities are represented by equity securities. All 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 accounted for at cost or at fair value, adjusted to conform to Mexican GAAP as described in notes 2(f) and 2(g) above and amortized using the straight-line method over the initial term of the license. Licenses to operate wireless mobile services in Mexico, Guatemala, Nicaragua, Ecuador, Colombia, Brazil, Honduras, Uruguay and Argentina are being amortized over periods ranging from 15 to 25 years.

k) Trademarks
Trademarks were recorded at their market values at the date acquired, as determined by independent experts using the discounted cash-flow techniques and are amortized using the straight-line method over a ten-year period.

l) Equity investments in affiliates
The investment in shares of affiliates (in which the Company has significant influence) are 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 9)

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. (See Note 8).

n) Impairment of assets
The Company annually evaluates for impairment its long-lived assets, including goodwill, licenses and trademarks, whenever events or changes in circumstances indicated that its carrying amount may not be recoverable. An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value, which is determined based on the estimated future discounted cash flows to be generated by those assets. When the recoverable amount is lower than the net carrying value, the difference is recognized as an impairment loss and presented as a especial item in the income statement. At December 31, 2002, 2003 and 2004, there are no losses from impairment.

o) Liabilities, provisions, contingent assets and liabilities and commitments
Effective January 1, 2003, the Company adopted the requirements of Mexican accounting Bulletin C-9, "Liabilities, Provisions, Contingent Assets and Liabilities and Commitments" (C-9), which, among other aspects, is more precise in defining provisions, accrued liabilities and contingent liabilities, and 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 at December 31 2003, a provision at present value of P. 163,917, for costs related to dismantling retired assets. Such amount was computed based on existing prices in each country where the Company operates. The initial accumulated effect of the application of this accounting pronouncement in the amount of P. 117,890 represented an adjustment to the balance of retained earnings at the beginning of 2003.

Staring in 2004, the Company charged a provision to results of operations for its rewards plan for its post-payment customers. The amount of the provision was computed based an actuarial study conducted by independent experts (See Note 12).

p) 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.

q) Employee benefits obligations

The cost of seniority premiums, is recognized during the years of service of employees based on actuarial computations made by independent actuaries using the projected unit-credit method and financial hypotheses net of inflation. (See Note 11). Termination payments are charged to income in the year in which the decision to dismiss an employee is made.

r) 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, or the rate approved at said date that will be in force at the time deferred tax assets and liabilities are expected to be recovered or paid, respectively.

Deferred tax assets are evaluated periodically, providing, if necessary, an estimate for those amounts of doubtful recovery.

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.

s) Advertising

All advertising costs are expensed as incurred. Advertising expense amounted to approximately, P. 1,625,099, P. 2,763,865 and P. 4,260,828, for the years ended December 31, 2002, 2003 and 2004, respectively.

t) Comprehensive (loss) income

Comprehensive (loss) income in América Móvil consists of current year net income or loss shown in the statement of income plus the current year result from holding non-monetary assets, the effects of translation of foreign entities and the effect of deferred taxes applied directly to stockholders' equity.

u) 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. The number of shares held by the Company have been excluded from the computation.

v) 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.

w) 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 56%, 34% and 40% of the Company's aggregate interconnection expenditures in its cellular network for the years ended December 31, 2002, 2003 and 2004, respectively, represented services rendered from one supplier; approximately 75%, 75% and 70% of the aggregate cost of telephone equipment for such periods represented purchases from three suppliers; and approximately 90%, 65% and 70% 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.

x) Financial instruments

With the aim of reducing its financing costs, the Company uses derivatives such as interest-rate swaps and cross currency swaps. which are valued using the same method as the one used to value the assets and liabilities being hedged. The valuation effect of such instruments is recognized in the statement of income, including costs, expenses or income derived from the hedged assets and liabilities. Derivative instruments not acting as hedges are presented at market value and gains and losses resulting from changes in such market values are recorded in results of operations.

y) Recent pronouncements

Business Combinations - In May 2004, the MIPA issued Mexican accounting Bulletin B-7, "Business Combinations", the observance of which is compulsory for fiscal years beginning on or after January 1, 2005. Among other things, Bulletin B-7:

a) Requires that all business combinations be accounted for using the purchase method of accounting.

b) Provides specific rules related to the acquisition of minority interest and to the transfer of net assets or exchange of equity interests between entities under common control.

c) Eliminates amortization of goodwill.

Adoption of this new accounting pronouncement, will increase the Company's net income by approximately P. 1,100 million in 2005, derived from the non-amortization of goodwill.

Financial instruments - In April 2004, the MIPA amended Mexican accounting Bulletin C-2, "Financial Instruments". The amendments establish that changes in the fair value of instruments classified as available for sale be disclosed in the holder's stockholders' equity. The amended Bulletin C-2 also provides requirements and rules for the accounting treatment of transfers between financial asset categories. The amendments are also more precise in establishing the guidelines for the accounting treatment to be given to impairment in the fair value of financial instruments. Furthermore, the amended bulletin requires that such instruments be classified as either short-term or long-term and clarifies the rules for presenting in the statement of changes in financial position changes associated with the purchase, sale and maturity of financial instruments. Finally, the amendments broaden the disclosure rules established under Bulletin C-2.

The observance of the amendments to Bulletin C-2 is compulsory for fiscal years beginning on or after January 1, 2005, although earlier observance is permitted. Management does not believe the adoption of this new accounting requirement will have a material effect on the Company's financial position or on its results of operations.

Accounting for derivative instruments and hedging activities - In April 2004, the MIPA issued Bulletin C-10, "Accounting for Derivative Instruments and Hedging Activities". Bulletin C-10 establishes the defining characteristics that financial instruments must have to be considered derivatives, as well as the conditions that must be met for specifically designating derivatives as hedges. Bulletin C-10 also provides guidelines for assessing the effectiveness of hedging derivatives and the rules for their valuation and the accounting for changes in their fair value. Finally, this bulletin provides guidelines for disclosing and presenting hedges in the financial statements. Management does not believe the adoption of this new accounting requirement will have a material effect on the Company's financial position or on its results of operations.

Labor obligations - In January 2004, the MIPA issued the revised accounting Bulletin D-3, "Labor Obligations". The revised bulletin establishes the overall rules for the valuation, presentation and disclosure of so-called "other post-retirement benefits and the reduction and early extinguishment of such benefits", thus nullifying the provisions of Circular 50. Bulletin D-3 also provides rules applicable to employee termination pay. The observance of these new rules is compulsory for fiscal years beginning on or after January 1, 2005. Management does not believe the adoption of this new accounting requirement will have a material effect on the Company's financial position or on its results of operations.

z) Convenience translation

U.S dollar amounts as of December 31, 2004 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, 2004, as a matter of mathematical computation only, at an exchange rate of P.11.26 to US$ 1.00, the December 31, 2004 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.

z.1) Reclassifications

Certain amounts shown in the 2002 and 2003 financial statements have been reclassified for uniformity of presentation with 2004.

3. Marketable securities

A summary of marketable securities as of December 31, 2003 and 2004 is as follows:

	2003		2004	
	Cost	Fair Value	**Cost**	**Fair Value**
Marketable securities Government bonds	P. 373,886	P. 390,486	**P. 533,825**	**P. 635,439**
Equity securities	494,050	445,640	**175,484**	**183,799**
	867,936	836,126	**709,309**	**819,238**
Available for sale securities USCO			**1,767,000**	**1,770,800**
	P. 867,936	P. 836,126	**P. 2,476,309**	**P. 2,590,038**

At December 31, 2002, 2003 and 2004, net unrealized (losses) gains on marketable securities were P. (195,444), P. (31,810) and P. 109,929, respectively. Net realized gains were P. 315,329, P. 512,532 and P. 219,841, in 2002, 2003 and 2004, respectively.

At December 31, 2004, the unrealized gain on investments classified as available for sale amounted P. 3,800. In previous years, there were no investments of this type.

4. Accounts receivable

		December 31, 2003		December 31, 2004
Subscribers	P.	9,200,082	**P.**	**14,193,426**
Retailers		1,652,863		**2,356,915**
Cellular operators for interconnections		999,236		**2,141,013**
Recoverable taxes		1,239,888		**2,503,146**
Other		893,046		**2,728,431**
		13,985,115		**23,922,931**
Less: Allowance for doubtful accounts		(1,978,007)		**(3,115,332)**
Total	P.	12,007,108	**P.**	**20,807,599**

Activity in the allowance for doubtful accounts for the years ended December 31, 2002, 2003 and 2004 was as follows:

		2002		2003		2004
Opening balance as of December 31	P.	(164,926)	P.	(463,504)	**P.**	**(1,978,007)**
Increases charged to costs and expenses		(703,430)		(900,394)		**(1,662,457)**
Effect of acquired companies				(1,317,310)		**(148,611)**
Decreases to reserve for write-offs		404,852		703,201		**673,743**
Ending balance	P.	(463,504)	P.	(1,978,007)	**P.**	**(3,115,332)**

At December 31, 2004, the caption retailers, includes a reserve for bad debts for P. 128,022.

Also at December 31, 2004, the caption, other, includes an account receivable from third parties in the amount of P. 1,254,000, derived from the sale of the telephone plant and lease-back (see Note 7).

5. Inventories

Inventories consist of the following:

		December 31, 2003		December 31, 2004
Cellular telephones and accessories	P.	5,708,773	**P.**	**11,510,879**
Less:				
Reserve for obsolete inventory		(208,119)		**(267,648)**
Total	P.	5,500,654	**P.**	**11,243,231**

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. 3,077 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.

At December 31, 2003 and 2004, current portion of prepaid expenses amounts to P. 194,387 and P. 173,258 and long-term portion amounts to P. 2,836,476 and P. 2,425,611, respectively.

7. Plant, property and equipment

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

		December 31, 2003		December 31, 2004
Telephone plant and equipment	P.	88,070,692	**P.**	**97,538,865**
Land and buildings		7,415,904		**6,896,107**
Other assets		15,601,893		**18,696,446**
		111,088,489		**123,131,418**
Less: Accumulated depreciation		(43,032,833)		**(48,649,343)**
Net		68,055,656		**74,482,075**
Construction in progress and advances to equipment suppliers		5,845,551		**8,967,291**
Inventories for use in construction of the telephone Plant		953,724		**1,464,075**
Total	P.	74,854,931	**P.**	**84,913,441**

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

	2003	**2004**
Assets under capital leases	P. 1,075,116	**P. 4,928,023**
Accumulated depreciation	(64,011)	**(179,348)**
	P. 1,011,105	**P. 4,748,675**

c) In 2003 and 2004, the Company sold part of its telephone plant to unrelated parties for P. 999 million and P. 3,934 million, respectively, which the Company then leased again under a sale and leaseback agreements. Such transactions gave rise to a book loss of approximately of P. 2,928 million in 2003 and P. 5,615 million in 2004, which are being amortized based on the remaining useful life of the assets. At December 31, 2004, the Company recorded deferred charges related to the above-mentioned sales in the short- and long-term of P. 1,194,495 and P. 6,765,661, which are included as part of the caption other assets in the balance sheet (P. 417,867 and P. 2,416,517 at December 31, 2003).

Amortization expense for the years ended December 31, 2003 and 2004 was P. 140,998 and P. 483,491, respectively.

d) Depreciation expense for the years ended December 31, 2002, 2003 and 2004 was P. 6,759,028, P. 10,231,574 and P. 12,256,787, 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, 2003 and 2004 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, 2004, approximately 96% of the value of the telephone plant, property and equipment (89% in 2003) has been restated using specific indexation factors.

f) Following are the plant, property and equipment amounts at December 31, 2003 and 2004, restated on the basis of the 2004 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:

	2003	**2004**
Telephone plant and equipment	P. 98,364,293	**P. 109,130,369**
Land and buildings	6,566,028	**10,678,498**
Other assets	15,552,831	**20,252,866**
	120,483,152	**140,061,733**
Accumulated depreciation	(46,399,056)	**(56,888,947)**
Net	74,084,096	**83,172,786**
Construction in progress and advances to equipment suppliers	5,845,551	**8,967,291**
Inventories for use in construction of the telephone plant	953,724	**1,464,075**
	P. 80,883,371	**P. 93,604,152**

8. Intangible assets

A summary of intangible asset is as follows:

	Useful life	Balance at January 1	Increases	Effects of translation of foreign subsidiaries, net	Cancellations	Amortization expense	Balance at December 31
December 31, 2004							
Licenses	15 to 25 years	**P. 24,352,476**	**548,748**		**(7,500)**		**P. 24,893,724**
Effects of translation		**5,779,384**		**3,950,313**			**9,729,697**
Accumulated amortization		**(2,984,477)**				**(3,667,813)**	**(6,652,290)**
Net		**P. 27,147,383**	**548,748**	**3,950,313**	**(7,500)**	**(3,667,813)**	**P. 27,971,131**
Trademarks	10 years	**P. 9,051,029**					**P. 9,051,029**
Effects of translation				**(408,690)**			**(408,690)**
Accumulated amortization		**(757,028)**				**(828,073)**	**(1,585,101)**
Net		**P. 8,294,001**		**(408,690)**		**(828,073)**	**P. 7,057,238**
Goodwill	10 years	**P. 11,671,234**	**1,307,623**		**(259,540)**		**P. 12,719,317**
Effects of translation		**840,896**		**1,130,341**			**1,971,237**
Accumulated amortization		**(4,067,110)**				**(1,100,032)**	**(5,167,142)**
Net		**P. 8,445,020**	**1,307,623**	**1,130,341**	**(259,540)**	**(1,100,032)**	**P. 9,523,412**
December 31, 2003							
Licenses	15 to 20 years	P. 17,343,737	8,565,549		(1,556,810)		P. 24,352,476
Effects of translation				5,779,384			5,779,384
Accumulated amortization		(529,655)				(2,454,822)	(2,984,477)
Net		P. 16,814,082	8,565,549	5,779,384	(1,556,810)	(2,454,822)	P. 27,147,383
Trademarks	10 years	P. 7,149,270	1,901,759				P. 9,051,029
Effects of translation							
Accumulated amortization						(757,028)	(757,028)
Net		P. 7,149,270	1,901,759			(757,028)	P. 8,294,001
Goodwill	10 years	P. 9,721,725	1,949,509				P. 11,671,234
Effects of translation				840,896			840,896
Accumulated amortization		(3,132,753)				(934,357)	(4,067,110)
Net		P. 6,588,972	1,949,509	840,896		(934,357)	P. 8,445,020

b) Licenses and goodwill amortization expenses in 2002 amounted P. 529,655 and P. 1,764,245, respectively.

9. Investments

An analysis at December 31, 2003 and 2004 is as follows:

	2003	**2004**
Investments in:		
Affiliates	P. 2,306,138	**P. 362,382**
Other investments	374,733	**289,688**
Total	P. 2,680,871	**P. 652,070**

I. Investments in affiliates

An analysis of equity investments in affiliated companies at December 31, 2003 and 2004, is as follows:

	2003	**2004**
Grupo Telvista, S. A. de C.V.	P . 447,431	**P. 362,382**
USCO	1,858,707	
Total	P . 2,306,138	**P. 362,382**

USCO

In December 2003, the Company exchanged its 49% equity interest in CompUSA for a 29.69% equity interest in USCO an additional P. 189 million given rise to a loss of P. 293,496, which was included as part of the caption other income (loss), net.

The Company's equity in the net loss of CompUSA at December 31, 2002 includes an impairment on its goodwill of P. 2,248,138, which is included under equity in net results of affiliates in the statement of income.

In order to facilitate and eventual divestiture of its investment in USCO and focusing on expanding its wireless services through Latin America, in January 2004, the Company changed the classification of its investment in USCO from equity investee to available for sale.

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) for US$ 106 million in cash and its 11.9% equity interest in Telecom Américas. A gain of P. 11,800 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 for P. 2,173,198, realizing a gain of P. 1,403,308 on the sale, which is included under the caption other income (loss), net in the statement of operations.

Other

At December 31, 2002, the Company charged P. 42,910 to results of operations for the impairment in the value of the equity investment in the non-strategic affiliate Eurotec, S.A.

II. Investments in subsidiaries

During 2003 and 2004, 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. All of the Company acquisitions were recorded using the purchase method. 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.

The purchase prices of net acquired assets were allocated based on their estimated market values, as follows:

	2004 Acquisitions Historical amounts at acquisition date in thousands of US Dollar		
	Enitel	**Megatel**	**Total**
Current assets	**$ 63,883**	**$ 7,615**	**$ 71,498**
Fixed assets	**107,878**	**36,526**	**144,404**
Licenses		**6,785**	**6,785**
Other assets	**7,936**	**2,569**	**10,505**
Less:			
Current liabilities	**48,849**	**11,115**	**59,964**
Long term debt	**37,640**	**2,248**	**39,888**
Fair value of net assets acquired	**$ 93,208**	**$ 40,132**	**$ 133,340**
% participation acquired	**99.03%**	**100.00%**	
Net assets acquired	**92,304**	**40,132**	**132,436**
Amount paid	**177,637**	**81,703**	**259,340**
Goodwill generated	**$ 85,333**	**$ 41,571**	**$ 126,904**

	2003 Acquisitions 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
Licenses	82,205	101,602	23,640	55,271	494,417	757,135
Trademarks			93,666	90,336		184,002
Other assets			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

2004 Acquisitions

a) ENITEL (Nicaragua)

In January 2004, the Company acquired 49% of the shares of Empresa Nicaragüense de Telecomunicaciones, S.A. (ENITEL) for a total purchase price of US$ 49.6 million. In June 2004, the Company agreed to purchase an additional 50% equity interest at an additional cost of US$ 128 million. The sale closing date was August 2004. ENITEL is the sole provider of fixed telephone services in Nicaragua.

b) MEGATEL (Honduras)

In June 2004, América Móvil agreed to acquire 100% of the shares of Megatel, S.A. de C.V. (Megatel), a Honduran cellular phone company. The sale was closed in July 2004 for a final sale price of US$ 81.7 million.

c) AM Wireless Uruguay (Uruguay)

In May 2004, the Company incorporated AM Wireless Uruguay, with an initial contribution of US$ 1 million. At December 31, 2004.

d) 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.

In December 2004, América Móvil purchased from the minority shareholders an additional 41.54% equity interest in CTE for which it paid US$ 294.9 million. Subsequent to such acquisition, plus additional purchases from minority shareholders during 2004, the Company's equity interest in CTE was increased to 94.9% at December 31, 2004. The purchase of the remaining 41.54% was made based on the fair value of CTE's assets at November 2004, given rise to a negative goodwill of approximately US$ 25.9 million, which, since this was considered a step acquisition, was netted with CTE's positive goodwill generated in previous year.

e) CTI (Argentina)

In October 2003, América Móvil acquired a 64% equity participation in CTI Holdings, S.A. ("CTI"). 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. In July 2004, América Móvil acquired the remaining 8% equity interest in CTI owned by Techint for a total consideration of US$ 17.1 million, increasing its total equity interest in CTI to 100%.

The above-mentioned purchase was made based on the net fair value of CTI's assets at June 2004, giving rise to a negative goodwill of approximately P. 76,641.

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 were subject to an out-of-court reorganization agreement (acuerdo preventivo extrajudicial, or "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 ruling through which the APE was approved was ratified in May 2004 and in March the Company paid the US$37.1 million, as agreed, so as to release CTI from its obligations related to the senior notes.

The settlement of the APE gave rise to a gain in 2004 of P. 258,862, which was included in the statement of income as part of the caption other income (expense), net. Such gain is derived from the difference between the amount paid for the APE and the fair value recognized for CTI's debt at the time its was acquired by América Móvil

f) Techtel–LMDS Comunicaciones Interactivas (Argentina)

In May 2004, the Company sold its 60% equity interest in Techtel to Teléfonos de México, S.A. de C.V. (Telmex) for P. 845,250 (US$ 75 million). Such sale gave rise to a gain of P. 18,235, which was recognized in stockholders' equity, since the sale was made between entities under common control.

2003 Acquisitions

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 in the Ceará, Piauí, Río Grande do Norte, Paraiba, Pernambuco and Alagoas states in Brazil.

c) BCP (Brazil)

In November 2003, the Company, through Telecom Américas acquired from certain lenders to BCP, which had acquired the shares 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 in the Sao Paulo metropolitan area.

Other acquisitions

During 2004, América Móvil invested approximately US$ 39 million in the purchase of minority interest shares in Comcel (Colombia), CTE (El Salvador), and ACT (Guatemala), giving rise to a negative goodwill of approximately US$ 30 million and increasing the Company's equity interest in each company at December 31, 2004, to 99.2%, 95.2% and 99.9%, respectively.

During 2003, América Móvil invested approximately US$ 77 million to acquire minority interests in Conecel (Ecuador) and ACT (Guatemala). As a result, the Company increased its equity interest in these subsidiaries at December 31 2003, to 100%, from 80.6% and 96.9%, respectively.

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, 2002, 2003 and 2004 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 these purchases and adjustments to depreciation of 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,		
	2002	2003	**2004**
Operating revenues	P. 64,110,075	P. 92,060,131	**P. 135,859,603**
Net income	5,104,604	15,886,038	**16,475,082**
Earnings per share (in Mexican Pesos)	0.39	1.23	**1.32**

10. Financial instruments

To hedge its exposure to financial risks, 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 and 2004 the Company has US dollar and Mexican peso interest-rate swaps for a total base amount of US$ 1,426.4 and US$ 826 million and P. 6,000 million and P. 7,000 million, respectively.

Additionally, at December 31, 2003 and 2004, the Company had contracted cross currency swaps for an outstanding base amount of US$ 310.4 and US$ 774.3 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 and 2004 were credited to income as part of the caption comprehensive cost of financing for the year in the amount of P. 125,064 and P. 79,831, respectively (losses of P. 167,817 were charged in 2002).

11. 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. During 2003 and 2004, the Company contributed P. 1,848 and P. 2,065, respectively (no contributions were made to the fund in 2002).

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

An analysis of the net period cost for 2002, 2003 and 2004 is as follows:

	2002	2003	**2004**
Service cost	P. 1,858	P. 1,967	**P. 2,108**
Financial cost of projected benefit obligations	359	474	**603**
Expected return on plan assets	(258)	(265)	**(398)**
Amortization of actuarial gain	(22)	(24)	**(26)**
Net period cost	P. 1,937	P. 2,152	**P. 2,287**

An analysis of the seniority premium reserve at December 31, 2003 and 2004 is as follows:

	2003	**2004**
Projected benefit obligation	P. 9,001	**P. 11,109**
Plan assets	(4,819)	**(6,996)**
Transition asset	50	**42**
Actuarial gain	1,341	**1,499**
Net projected liability	P. 5,573	**P. 5,644**
Unfunded accumulated benefit obligation	P. 4,182	**P. 4,113**
Accumulated benefit obligation	P. 9,001	**P. 11,109**

The accumulated benefit obligation was included in the balance sheet under the caption other accounts payable and accrued liabilities.

The net of inflation rates used to determine the actuarial present value of benefit obligations at December 31, 2002, 2003 and 2004 are presented below:

	2002	2003	**2004**
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	**1.0**

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31,	
	2003	**2004**
Suppliers	P 13,273,816	**P 26,853,421**
Sundry creditors	3,006,224	**3,434,272**
Contingencies	2,849,707	**3,420,912**
Interest payable	971,029	**1,083,131**
Expenses and other provisions	437,489	**1,185,204**
Guarantee deposits	333,004	**335,441**
Others	108,559	**257,603**
Total	P 20,979,828	**P 36,569,984**

b) At December 31, 2003 and 2004, the account accounts payable and accrued liabilities includes the following expense and other provision accounts:

	Balance at December 31, 2003	Increase of the year	Payments	Write-offs	**Balance at December 31, 2004**
Vacations premium	P. 66,958	P. 1,436,153	P (1,247,549)		**P. 255,562**
Vacations	56,968	663,200	(636,071)		**84,097**
General expenses	74,571	436,201	(342,015)	P. (24)	**168,733**
Fees	75,075	1,314,903	(1,222,020)	(9,579)	**158,379**
Retirement of assets provision	163,917	57,452	(24,736)		**196,633**
Royalty rewards provision		321,800			**321,800**
	P. 437,489	P. 4,229,709	P. (3,472,391)	P. (9,603)	**P. 1,185,204**

13. Debt

The Company's debt consists of the following:

Currency	Items	2003 Rate	Maturity from 2003 to		Total 2003	2004 Rate	Maturity from 2004 to		Total 2004
U.S Dollars									
	Exim Banks	L+.20 to L+1.65 (1)	2009	P	9,398,103	**L+.20 to L+1.25**	**2010**	**P.**	**7,357,555**
	Syndicated loans	L+.75 to L+1.35	2007		11,819,148	**L+.60**	**2009**		**3,379,440**
	Fixed-rate securities	3.3990%	2004		365,044	**4.125% to 5.75%**	**2015**		**20,197,786**
	Senior Notes					**L+.6250**	**2007**		**3,379,440**
	Fixed rate lines of credit					**2.7100**	**2009**		**252,710**
	Lines of credit	L+.30 to L+1.50	2006		8,639,206	**L+.225 to L+1.60**	**2009**		**4,674,892**
	Suppliers	3.1675% to 10%	2004		157,384				
	BNDES	UMBNDES+4.5% to (2) UMBNDES+5.05	2008		710,627	**UMBNDES+4.3%**	**2008**		**121,268**
	Leasing				12,039	**8.01**	**2007**		**422,247**
	Others	L+4.50; 11.25%	2008		554,689	**L+.20 to L1.35%**	**2009**		**351,665**
	Subtotal Dollars				31,656,240				**40,137,003**
Mexican Pesos									
	Domestic senior notes ("Certificados Bursátiles")	Others	2009		11,833,875	**Various**	**2010**		**13,001,352**
	Syndicated loans	TIIE + .80 (3)	2008		1,840,825				
	Bank loans	TIIE	2004		1,051,900				
	Leasing	TIIE + .55	2006		999,305	**TIIE + .40 to TIIE +.55%**	**2007**		**4,484,000**
	Subtotal Mexican Pesos				15,725,905				**17,485,352**
Reais									
	BNDES	TJLP + 2.80% to (4) TJLP +5.00%	2007		2,527,584	**TJLP + 2.80% to TJLP + 4.00%**	**2007**		**1,064,452**
	Fixed rate securities	CDI +.90 (5)	2005		63,752	**12.00%**	**2005**		**849**
	Licenses	12% + Inflation	2010		384,772				
	Subtotal Reais				2,976,108				**1,065,301**
Colombian pesos									
Lines of credit						**DTF + 1.70% to DTF + 2.60%**	**2005**		**367,676**
	Senior Notes	IPC + 7.50			850,847	**IPC + 7.50%**	**2013**		**2,121,209**
	Subtotal Colombian pesos				850,847				**2,488,885**
Others Currencies									
	Lines of credit	6.50%	2004		629,949	**6.50%**	**2005**		**283,300**
	Leasing	7.00%	2004		33,132				
	Subtotal Other currencies				663,081				**283,300**
	Total Debt				51,872,181				**61,459,841**
	Less: short-term debt and current portion of long-term debt				12,736,716				**5,392,488**
	Long term debt			P.	39,135,465			**P.**	**56,067,353**

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. The Company's weighted average interest rate cost of borrowed funds at December 31, 2004 was approximately 7.05% (5.19% at December 31, 2003).

In addition to the rates above, 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, 2003 and 2004 consists of the following:

Concept		2003		**2004**
Domestic senior notes			**P.**	**450,000**
Fixed-rate securities	P.	365,044		**849**
Syndicated loans		1,306,016		
Other loans		6,945,568		**1,981,048**
Total	P.	8,616,628	**P.**	**2,431,897**
Weighted average interest rate		3.05%		**8.19%**

Maturities of long-term debt at December 31, 2004 are as follows:

Years		Amount
2006	P.	6,799,649
2007		12,729,424
2008		6,298,886
2009		10,172,606
2010 and thereafter		20,066,788
Total	P.	56,067,353

Senior Notes.- On March 9, 2004, the Company issued senior notes of US$ 500 million and US $800 million, maturing respectively in 2009 and 2014 and bearing annual interest of 4.125% and 5.50%, which is payable semiannually. In 2004, accrued interest on the notes was P. 607,075.

Additionally, On April 20, 2004, América Móvil issued senior notes of US$ 300 million, maturing in 2007 and bearing variable annual interest at the three-month LIBOR plus 0.625%, which is payable quarterly beginning on July 27, 2004. In 2004, accrued interest on the notes was P. 52,478.

On October 28, 2004, the Company also issued senior notes of US$ 500 million, maturing in 2015 and bearing annual interest of 5.75%, which is payable semiannually beginning on July 15, 2005. In 2004, accrued interest on the notes was P. 53,420.

Resources from the mentioned issues were applied to the payment of debt maturing principally in 2004 and 2005, which increased the average life and reduced the cost of interest on the debt. All debt was refinanced at its nominal value and, consequently, no gains or losses were generated. All senior notes are unconditionally guaranteed by Telcel.

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 2003 and 2004, the Company established lines of credit up to US$ 250 and US$ 152 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 2005 and 2010.

Syndicated loans.- In April 2004, the Company obtain a loan of US$ 300 million that matures in May 2009 and bears interest at the LIBOR + 0.6%. Interest is payable quarterly. In 2004, accrued interest on these instrument was P. 51,948.

At December 31, 2003 the Company had entered into syndicated loan agreements for approximately US$ 1,000 million with maturities between 2005 and 2007; bearing interest at LIBOR plus 0.75% to LIBOR plus 1.35%. At December 31, 2004, the Company paid these loans with the resources obtained in the issuance of the aforementioned debt.

BNDES.- At December 31, 2004, 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$ 250 million plus approximately US$ 10 million.

Domestic Senior Notes (certificados bursatiles).- The CNBV has authorized the Company to establish four programs for the issuance of domestic senior notes guaranteed by Telcel for P. 5,000 million each. At December 31 2004, the Company has made various issues under such programs for amounts ranging from P. 400 to P. 1,250 million, with maturities ranging from 3 to 7 years. In general, these issues bear a floating interest rate established as a percentage of the TIIE and CETES rates.

Additionally, the Company has an available commercial paper program for P. 3,000 million. As of December 31, 2004, the Company had no outstanding commercial paper debt.

At December 31, 2004, 89% of total outstanding consolidated debt is guaranteed by Telcel.

General

At December 31, 2004, 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.

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 do not permit the Company to restrict 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, 2004, the Company was in compliance with all of these requirements.

14. Foreign-Currency Position and Transactions

a) América Móvil had the following foreign-currency denominated assets and liabilities:

	Foreign currency in million			
	2003	Exchange Rate	**2004**	**Exchange Rate**
	At December 31 2003		**At December 31 2004**	
Assets				
US dollar	1,326	11.23	**2,621**	**11.26**
Quetzal	702	1.39	**1,886**	**1.45**
Reais	2,356	3.89	**3,437**	**4.24**
Colombian peso	290,163	0.004	**405,016**	**0.004**
Argentinean peso	380	3.83	**615**	**3.78**
Uruguayan peso			**85**	**0.427**
Cordoba			**376**	**0.687**
Lempira			**168**	**0.584**
Euro	1	14.11	**3**	**15.32**
Liabilities				
US dollar	(3,726)	11.23	**(4,908)**	**11.26**
Quetzal	(1,330)	1.39	**(1,442)**	**1.45**
Reais	(4,160)	3.89	**(6,104)**	**4.24**
Colombian peso	(781,447)	0.004	**(1,484,520)**	**0.004**
Argentinean peso	(395)	3.83	**(987)**	**3.78**
Uruguayan peso			**(118)**	**0.427**
Cordoba			**(199)**	**0.687**
Lempira			**(297)**	**0.584**

At February 25, 2005, exchange rates of the Mexican peso are as follows:

Foreign currency	Exchange rate
US Dollar	11.08
Quetzal	1.43
Reais	4.20
Colombian peso	0.004
Argentinean peso	3.77
Uruguayan peso	0.437
Cordoba	0.673
Lempira	0.584
Euro	14.70

b) In the years ended December 31, 2002, 2003 and 2004, 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		
	2002	2003	**2004**
Net revenues	1,711,259	3,037,013	**5,683,036**
Operating costs and expenses	2,423,335	4,103,468	**6,048,179**
Interest income	108,469	141,484	**182,143**
Interest expense	147,529	298,075	**319,309**
Other income (expense), net	(110,778)	260,394	**(39,602)**

15. Commitments and Contingencies

a) As of December 31, 2004, 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 fourteen years.

Provided below is an analysis of minimum rental payments due in the next five years. In some cases, the amount is subject to an annual increase based either 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, 2004, the Company had the following commitments under non-cancelable leases:

Year ended December 31,	Capital lease	Operating lease
2005	**P. 983,763**	**P. 1,836,861**
2005	**891,758**	**2,020,414**
2007	**372,039**	**2,171,462**
2008	**3,829,100**	**2,272,572**
2009		**2,752,807**
2010 and thereafter		**4,130,867**
Total	**6,076,660**	**P. 15,184,983**
Less interest	**(1,170,413)**	
Present value of minimum rental payments	**4,906,247**	
Less current installments	**860,705**	
Long-term obligations at December 31, 2004	**P. 4,045,542**	

Rent charged to expenses in 2002, 2003 and 2004 aggregated P. 362,568, P. 1,148,059 and P. 1,835,044, respectively.

b) Payment Guarantees With Suppliers

At December 31, 2004, some of the Company's subsidiaries had commitments to acquire equipment for their GSM networks for up to approximately US$ 376 million (approximately P. 4,235 million). Such amounts have been guaranteed by America Móvil.

TELCEL

c) Cofeco
Administrative proceedings were commenced in January and June 2001 by the Mexican Federal Antitrust Commission (Comisión Federal de Competencia or Cofeco) against Telcel for alleged anti-competitive behavior in connection with actions by certain distributors of Telcel in 2001. In May 2002, Cofeco ruled against Telcel in connection with the proceeding begun in January 2001. 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, which is pending. In December 2004, Telcel was notified of the initiation of further administrative proceedings in connection with the alleged anti-competitive behavior by certain distributors. The same month, Telcel filed a lawsuit *(demanda de amparo)* challenging Cofeco's rights to initiate these proceedings. If Telcel is unsuccessful in challenging any of the aforementioned proceedings, they may result in fines or specific regulations applicable to Telcel. Telcel has not made provisions in its financial statements for these potential liabilities given that as of the date of the financial statements, the amount of the possible contingency could not be reasonably estimated.

d) Interconnection
In December 2004, Telcel reached an agreement with various other telecommunications service providers as to the interconnection fees applicable under the "*calling party pays*" system for the period from January 1, 2005 until December 31, 2007. The agreement called for a gradual reduction of 10% per year in interconnection fees charged under the "*calling party pays*" system from the 2004 rate of P.1.90 per minute to P.1.39 by the end of 2007. The agreement also contemplated that these reductions would be reflected in the tariffs charged by fixed operators to their users. The new framework was approved by the Mexican Federal Communications Commission (Comisión Federal de Telecomunicaciones or Cofetel). Certain telecommunications service providers have since challenged the new framework, arguing that the proposed interconnection fees do not properly take into account costs associated with providing interconnection services, and have initiated proceedings with Cofetel to obtain their intervention in resolving the matter.

Given the current status of the negotiations with dissenting operators, it is not possible to predict what effect a ruling against the Company could have on its financial information.

e) CNBV

During 2003, América Móvil received requests for information from the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores or the CNBV) and the Securities and Exchange Commission (SEC) regarding Telcel's entry into a capacity services agreement with Operadora Unefon in September 2003. To América Móvil's knowledge, 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 SEC has publicly stated that it has filed charges against certain affiliates of Operadora Unefon. America Móvil and Telcel have cooperated with the authorities.

f) Short Message Services

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 6%. Telcel believes that short message services are value-added services, which are not concessioned services, and that revenues from short message services should not be subject to this royalty. In related proceedings, Cofetel has ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services. Telcel is currently disputing these issues in an administrative proceeding, but Telcel has made provisions in its financial statements with respect to this potential liability.

TELGUA

g) Reversal of the 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 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, Telgua agreed, among other things, to invest approximately US$ 246 million in certain plant and equipment by 2004, which investments have been completed. This settlement was challenged in 2002 by certain former government officials, but the challenge was withdrawn in June 2004. Following this withdrawal, an order of the administrative court approving the settlement and terminating all related litigation became final and non appealable.

h) ITI-Gedo

In addition, judicial proceedings were commenced in the United States District Court for the Southern District of New York (the "District Court") 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. A final decision awarding ITI over US$ 900,000 in damages against defendants GEDO and Álvarez was rendered by the District Court in April 2004. In June 2004, ITI filed an appeal with the United States Court of Appeals for the Second Circuit (the "Appeals Court") challenging, among other things, the District Court's March 2002 decision to dismiss Telgua from the action for lack of personal jurisdiction. Oral arguments were heard in March 2005, and the parties are awaiting a decision from the Appeals Court. Neither America Movil or Telgua can assure you that the Appeals Court will affirm the District Court's dismissal of Telgua. Telgua has not made provisions in its financial statements for these potential liabilities.

COMCEL

i) Voice over IP

In March 2000, the Colombian Ministry of Industry and Commerce (Superintendencia de Industria y Comercio or SIC) issued Resolution No. 4954, requiring Comcel to pay a fine of approximately US$ 100 thousand (approximately 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 Constitutional Court revoked the previous decision and ordered the continuance of the procedure for the determination of damages to the other operators. In the opinion of counsel representing Comcel in this matter, in the event the SIC decides to award damages to the long distances service providers, the amount of such damages should not exceed the income received by Comcel from the provision of Voice over IP services, which amount is substantially than the amount estimated by the long distance service providers. Comcel has made provisions in its financial statements with respect to this potential liability on the basis of its counsel's opinion. Neither America Móvil or Comcel can assure that the amount of damages ultimately determined by the SIC will be consistent with Comcel's counsel opinion. Comcel expects to continue exploiting all available legal actions after a decision on damages is rendered.

j) Distributors

In January 2005, Comcel was notified of an arbitration proceeding initiated against it by Celcenter Ltda. (Celcenter) and Concelular, S.A. (Concelular), which are distributors of Comcel. The proceeding relates to Comcel's decision to reduce the commissions paid to distributors. In the proceeding, the distributors allege: (i) abuse of dominant position on Comcel's part; (ii) the existence of an agency relationship between Comcel and the distributors; and (iii) breach of contract and commercial liability on the part of Comcel. Claimants seek to recover approximately US$ 30 million from Comcel. Comcel has made provisions in its financial statements with respect to this potential liability.

TELECOM AMERICAS

k) Anatel inflation-related adjustments

The Brazilian Federal Communications Commission (Agência Nacional de Telecomunicações or 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 Reais 486 million (including potential penalties and interest) (approximately US$ 183 million) at December 31, 2004. Tess and ATL have made provisions in their financial statements for these potential liabilities.

l) BNDESPar

Prior to the acquisition of Telet, S.A. (Telet) and Americel, S.A. (Americel) by Telecom Americas Limited (Telecom Americas), BNDESPar, a subsidiary of BNDES, the Brazilian development bank, had entered into investment and other shareholder agreements with Americel, Telet and certain of their significant shareholders. Under these agreements, BNDESPar had the right, among others, to participate in the sale of shares of Telet and Americel in the event of certain transfers of control, for so long as BNDESPar held 5% of the share of capital in those companies. In October 2003, we 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. In November 2004, BNDESPar filed a lawsuit with the competent court of Rio de Janeiro claiming that BNDESPar is entitled to sell its shares in Telet and Americel to Telecom Americas for approximately US$ 164 million. We do not believe that BNDESPar has valid grounds for its claims against Telecom Americas, and Telecom Americas will defend itself vigorously against these claims. Neither America Móvil or Telecom Americas can assure, however, that Telecom Americas will ultimately prevail. Telecom Americas has not made provisions in its financial statements for these potential liabilities.

m) Lune Patent Case

A Brazilian company claims that wireless operators in Brazil have infringed its patent over certain caller id technology. The plaintiff first brought a patent infringement case in a state court in Brasília, Federal Capital of Brazil, against Americel and later brought cases, as part of two separate proceedings, against 23 other defendants, including all of our other operating subsidiaries in Brazil. Although we believe that the patent does not cover the technology that is used by Americel to provide caller id services, Americel lost the case at the trial level and on first appeal. After the judgment against Americel was rendered, a federal court in Rio de Janeiro, Brazil, rendered a preliminary injunction decision suspending the effects of the patent, in an action filed by a supplier of caller id technology. Americel filed three special appeals against the decision of the state court in Brasília, seeking review at the Superior Court of Justice (which is the highest court in Brazil to decide on questions of federal law) and Supreme Court (the highest court in Brazil to decide on questions of constitutional law) The Court of Appeals has determined that two of our special appeals will be heard by the Superior Court of Justice. Our request for a special appeal before the Supreme Court has been denied. Americel may still file a motion requesting the reversal of this decision. Americel intends to continue vigorously defending itself against this claim.

The cases against the other operators are still on their initial stages. Plaintiff has brought these other cases in the same state trial court that heard the case against Americel, but defendants have requested that the cases be removed on jurisdictional grounds. The Americel judgment does not bind other state courts or the federal courts of Brazil. America Móvil and its Brazilian subsidiaries will continue vigorously defending their selves from these claims, and do not expect that there will be a resolution of these other cases within the next couple of years.

At this time, it is not possible for us to estimate with a reasonable degree of certainty the damages that may result from these proceedings, if ultimately resolved against our interests. The plaintiff in the Americel case is now required to request the commencement of proceedings for execution of the judgment, seeking to prevent Americel from providing caller id services and to determine monetary damages for alleged past infringements. At this time, Americel does not know how the plaintiff intends to request that damages be determined. Americel intends to request that the effects of any execution order be suspended pending resolution of the appeals. In addition, Americel benefits from a limited contractual indemnity from its equipment supplier, and it is currently analyzing how and to what extent it could recover any eventual damages from this supplier. Americel has not made any provisions in its financial statements in respect of these proceedings since the amount of potential damages cannot be reasonably determined.

CompUSA

n) COC Services

In January 2000, a lawsuit was filed in Texas against our affiliate CompUSA, Inc. (CompUSA) on behalf of COC Services, Ltd. (COC) alleging, among other things, breach of contract, tortious interference and conspiracy in connection with a letter of intent for the franchising of retail stores in Mexico. In addition to our affiliate CompUSA, the lawsuit named as defendants James Halpin, CompUSA's former chief executive officer, Mr. Carlos Slim Helú, our chairman, and certain other persons. The jury trial concluded in February 2001 with a jury verdict against CompUSA in the amount of US$ 90 million in actual damages. The verdict also awarded punitive damages in the amount of US$ 94.5 million against CompUSA and US$ 175 million against Mr. Halpin. Damages were also awarded against the remaining defendants.

In March 2001, our affiliate CompUSA and the other defendants filed a motion with the trial court for judgment notwithstanding the verdict. In May 2001, the trial court granted the motion for judgment notwithstanding the verdict, vacating the award against our affiliate CompUSA and Mr. Halpin and reducing significantly the amount of damages. Despite the significant reduction in damages, Mr. Slim Helú and the other defendants appealed seeking discharge from all claims. In August 2004, the Dallas Court of Appeals reversed the February 2001 judgment in full, releasing the defendants from the obligation to pay any damages. COC has appealed this decision and the appeal is pending.

16. Related Parties

a) Following is an analysis of balances due from/to related parties as of December 31, 2003 and 2004. 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, 2003		December 31, 2004
Accounts receivable:			
Teléfonos de México, S.A. de C.V.	P 523,456	P.	**704,376**
Sanborns Hermanos, S.A. de C.V.	72,903		**127,122**
Sears Roebuck, S.A. de C.V.	42,776		**62,655**
Teléfonos del Noroeste, S.A. de C.V.	28,487		**34,096**
Seguros Inbursa, S.A. de C.V.	7,799		
Others	6,005		**49,049**
	P 681,426	P.	**977,298**
Accounts payable:			
América Telecom, S.A. de C.V.	P 50,970	P	**64,773**
Fianza Guardiana Inbursa, S.A. de C.V.	27,887		**65,172**
Carso Global Telecom, S.A. de C.V.	22,897		
Compañía de Teléfonos Bienes y Raíces, S.A. de C.V.	17,494		
Seguros Inbursa S.A de C.V.			**22,600**
Others	16,997		**4,619**
Total	P 136,245	P	**157,164**

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 Telmex's spin-off and have continued in effect without significant modification following the spin-off. Many of these operational relationships are 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 the years ended December 31, 2002, 2003 and 2004 the Company had the following significant transactions with related parties, (mainly with Telmex):

	2002	2003	2004
Revenues:			
Calling Party Pays (CPP) interconnection fees and other (1)	P. 9,200,271	P. 10,049,695	**P. 11,290,894**
Costs and expenses:			
Payments for long-distance, circuits and others (2)	3,826,385	4,104,539	**4,268,679**
Commercial, administrative and general:			
Advertising	492,042	561,359	**659,653**
Others, net	199,282	(4,849)	**76,842**
Interest expense (income), net	60,184	(4,950)	**661**

(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 the 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 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.

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

e) The Company purchases materials and services from related parties under terms that it believes are 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 related entities.

17. Stockholders' Equity

a) Capital stock at December 31, 2002, 2003 and 2004, is represented by 12,916 million, 12,836 million and 12,264 million common shares with no par value, respectively, representing the fixed portion of capital.

An analysis of the shares at December 31, 2004 is as follows:

Millions of shares	
3,647	Series AA voting shares
265	Series A voting shares
8,352	Series L limited voting rights
12,264	

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.

c) In April 2003 and 2004, the stockholders approved payment of a cash dividend of P. 0.060 and P. 0.12 per share, respectively, payable in four installments of P. 0.015 and P. 0.03 each in June, September and December of 2003 and 2004 and in March 2004 and 2005.

During the three year period ended December 31, 2004, the Company has purchased the following shares:

	Number of shares in million		Amount in thousands of Mexican pesos		Historical amounts in thousands of Mexican pesos	
Year	"L" Shares	"A" Shares	"L" Shares	"A" Shares	"L" Shares	"A" Shares
2002	281.6	1.9	P. 2,291,556	P. 14,207	P. 2,038,972	P. 12,641
2003	66.2	0.2	P. 1,025,729	P. 368	P. 1,009,870	P. 330
2004	581.2	2.8	P.12,370,533	P. 57,440	P.12,155,736	P. 55,459

Under the Mexican Securities Trading Act, amended starting June 1, 2001, there is no longer a requirement 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 a 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.

18. 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.

Through December 31, 2004, tax consolidation was allowed at 60% of tax losses and taxable earnings of those Mexican subsidiaries authorized to be consolidated for tax purposes. As part of the presidential tax reforms passed in 2004, starting on January 1, 2005, tax consolidation may be comprehensive at 100% of the tax losses and taxable earnings of Mexican subsidiaries.

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 payable only to the extent that it exceeds income tax. Asset tax for the years ended December 31, 2002, 2003 and 2004 was P. 1,427,131, P. 1,132,399 and P. 995,464, respectively. Such amounts were paid by crediting income tax paid in such years. Asset tax for the years ended December 31, 2002, 2003 and 2004, was determined on a consolidated basis.

3) The statutory income tax rate for 2002, 2003 and 2004 was 35%, 34% and 33% respectively. In 2001, corporate taxpayers had the option of deferring a portion of the income tax, 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, 2004, the balance of the restated contributed capital account (CUCA) and CUFIN was P. 38,373,794, and P. 28,379,721, respectively.

As part of the presidential tax reforms passed in 2004, staring on January 1, 2005, the income tax rate will be 30% and will be reduced by one-percentage point a year until it reaches 28% in 2007 and succeeding years.

The effect of this gradual decrease in the income tax rate is reflected in the computation of deferred taxes of the Mexican subsidiaries and represents a credit to operations of approximately P. 300 million.

4) An analysis of income tax charged to results of operations for the years ended December 31, 2002, 2003 and 2004 is as follows:

	2002	2003	**2004**
Current year income tax of Mexican Subsidiaries	P. 3,481,340	P. 2,779,302	**P. 4,004,319**
Current year income tax of foreign Subsidiaries	297,364	583,928	**1,606,821**
Deferred income tax of Mexican Operations	(400,730)	84,399	**2,680,570**
Effect of change in effective tax rate			**(300,034)**
Total	P. 3,377,974	P. 3,447,629	**P. 7,991,676**

Since current tax legislation recognizes partially the effects of inflation on certain items that give rise to deferred taxes, the current year net monetary effect on such items has been reclassified in the statement of income from the monetary position result to current year deferred income tax cost.

The 2003 year income tax of Mexican subsidiaries includes a tax credit of P. 909 million (P. 864 million nominal) 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		
	2002	2003	**2004**
Statutory income tax rate in Mexico	35.0%	34.0%	**33.0%**
Financing costs	0.2	2.9	**3.5**
Goodwill	0.5	1.42	**0.7**
Effect of change in effective tax rate			**(0.4)**
Sale of affiliates	(4.5)		
Recoverably taxes		(7.4)	
Asset tax	5.2	7.5	
Royalties		(10.4)	**(6.6)**
Others	(8.1)	(2.4)	**7.5**
Effective tax rate for Mexican operations	28.3	25.6	**37.7**
Revenues and costs from foreign subsidiaries	(2.0)	(8.4)	**(6.3)**
Effective tax rate	26.3%	17.2%	**31.4**

6) The temporary differences on which the Company recognized deferred taxes in the years ended December 31, 2003 and 2004, were as follows:

	December 31,	
	2003	**2004**
Deferred tax assets		
Liability provisions	P. (1,100,942)	**P. (565,877)**
Other	(83,792)	**(248,051)**
Deferred revenues	(1,114,666)	**(1,131,344)**
Tax loss carryforwards	(20,389,419)	**(20,160,132)**
	(22,688,819)	**(22,105,404)**
Deferred tax liabilities		
Fixed assets	2,670,841	**2,394,330**
Inventories	987,035	**1,530,363**
Licenses	989,186	**627,120**
Sale and lease back	935,444	**2,206,290**
Royalties prepayment		**1,298,864**
	5,582,506	**8,056,967**
Valuation allowance	20,944,543	**19,956,425**
Deferred income tax liability	3,838,230	**5,907,988**
Deferred employee profit sharing liability		**285,397**
Deferred tax liability	P. 3,838,230	**P. 6,193,385**

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.

Starting in 2006, employee profit sharing paid to employees will be deductible under certain circumstances for income tax purposes in Mexico.

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 income and tax provisions of these subsidiaries in 2002, 2003 and 2004 were P. 1,399,717, P. 3,954,482, P. 1,505,863 y P. 297,364, P. 583,928 and P. 1,606,821 respectively.

At December 31, 2004, America Móvil's foreign subsidiaries, have available tax loss carryforwards in conformity with the tax regulations of their respective countries as follows:

	Million of pesos at December 31, 2004				
Years	Brazil	Argentina	USA	Colombia	Ecuador
1997	P. 46				
1998	1,557		P. 308		
1999	11,720				
2000	7,721		650	P. 1,297	P. 389
2001	9,024		1,226	1,427	349
2002	7,474	P. 4,674	94	669	117
2003	4,726			853	22
2004	2,264	748			
	P. 44,532	P. 5,422	P. 2,278	P. 4,246	P. 877

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 a result, some or all of the Tracfone's loss carryforwards may never be realized.

In Ecuador there is no time limit on the carryforwards of tax losses; However, the carryforward in each year may not exceed 25% of the tax base for such year.

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

19. 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.

At December 31, 2003, 3,335,750 series "L" shares have been exercised and in 2004, the participating executives exercised the reminder of their assigned shares. The related charges to results of operations in 2002, 2003 and 2004 were P. 17,053, P. 70,986 and P. 49,216, respectively.

20. Subsequent events

a) On February 17, 2005, the Company issued senior notes in the amount of US$ 1,000 million (under the debt instrument program for US$ 2,000 million registered with the Securities and Exchange Commission using form F-3, dated November 22, 2004) that matures in March 2035 and bears fixed interest of 6 $^3/_8$%. Interest is payable semiannually on September 1 and March 1 of each year. The notes are unconditionally guaranteed by Telcel.

b) On March 9, 2005, the Company determined to submit for the consideration of the General Shareholders' Meeting, to be held at or about April 30th of this year, the proposal to: (i) split the "AA", "A" and "L" shares representative of its capital stock by a ratio of three to one; (ii) payment of a cash dividend from the net profit account for the amount of $0.21 (twenty one peso cents per share), (before the afore mentioned actual split takes place), in four installments, for each of the "AA", "A" and "L" shares representative of the company's capital stock (which shall include the preferential dividend for the "L" shares); and (iii) increment in the maximum amount of the resources which may be destined towards the repurchase of company shares during the 2005fiscal year of five billion pesos.

21. Segments

América Móvil operates primarily in one operating segment (cellular services); however, as mentioned in Note 1 above, the Company has international telecommunications operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Brazil, Argentina, Colombia 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: A summary of the information by geographical segment, which is the way management analyzes results, is as follows. Those subsidiaries that do not represent more than 10% of the income are included in the concept of others, in accordance with generally accepted accounting principles.

	Mexico Corporate	Mexico (Telcel)	Guatemala (includes Nicaraguan operations)	Ecuador	Colombia
December 31, 2002					
Operating revenues		44,608,840	4,860,537	1,368,194	4,037,995
Depreciation and amortization	260,655	4,116,676	1,309,464	238,038	961,812
Opereting loss income	223,040	12,928,134	1,166,231	(115,302)	374,360
Interest paid	4,825,569	9,215,700	413,269	59,910	448,000
Segment assets	281,319,164	84,228,207	12,387,317	4,618,618	9,867,325
Plant, property and equipment, net	905,082	37,261,094	10,000,822	1,618,204	5,976,328
Goodwill, net	2,249,668		464,634	2,153,052	1,703,516
Trademarks					2,076,600
Licenses, net		1,782,734	628,788	321,013	2,402,638
December 31, 2003					
Operating revenues		55,188,885	5,956,454	2,857,697	6,069,141
Depreciation and amortization	1,192,723	4,964,937	1,430,852	476,023	1,471,247
Operating loss income	(1,267,228)	18,613,674	1,794,767	576,998	623,217
Interest paid	6,235,273	5,844,003	433,506	73,008	500,609
Segment assets	276,726,562	45,939,752	11,334,987	5,635,212	13,425,891
Plant, property and equipment, net	1,208,054	29,836,810	8,204,419	2,493,969	7,276,876
Goodwill, net	3,220,414		607,042	1,945,102	2,978,113
Trademarks					1,875,214
Licenses, net		1,634,079	671,882	269,590	2,759,682
December 31, 2004					
Operating revenues		**70,822,028**	**7,168,099**	**4,287,025**	**9,337,975**
Depreciation and amortization	**1,148,819**	**5,081,770**	**1,444,813**	**575,681**	**1,873,690**
Operating loss income	**(1,289,921)**	**25,537,168**	**2,355,022**	**884,736**	**611,834**
Interest paid	**6,607,196**	**5,764,401**	**562,171**	**109,279**	**460,991**
Segment assets	**287,268,672**	**81,744,690**	**14,321,704**	**7,394,595**	**21,734,606**
Plant, property and equipment, net	**713,513**	**27,256,972**	**9,784,975**	**3,151,512**	**10,061,253**
Goodwill, net	**2,944,273**		**384,553**	**1,558,282**	**3,184,143**
Tademarks					**1,618,182**
Licenses, net		**1,520,598**	**652,565**	**142,287**	**3,994,570**

Brazil	Argentina	U.S.A.	El Salvador	Others	Eliminations	Consolidated total
3,488,694	51,577	4,461,767			(34,371)	62,843,233
1,996,325	(63,526)	175,635			57,849	9,052,928
(948,683)	46,602	(270,242)			249,952	13,654,092
722,045	10,616				(13,069,174)	2,625,935
4,269,651	851,732	1,362,657			(275,266,846)	123,637,825
9,919,689	983,370	442,008			(843,210)	66,263,387
	288,975				(270,874)	6,588,971
5,072,670						7,149,270
11,678,665	244					16,814,082
11,988,765	935,505	6,570,670	854,044		(19,854)	90,401,307
4,543,971	101,373	206,541	168,642		41,812	14,598,121
(2,244,760)	74,107	210,568	283,412		227,470	18,892,225
1,819,957	237,140		556		(11,172,745)	3,971,307
64,497,413	5,090,253	2,523,816	9,373,709		(276,785,168)	157,762,427
18,962,398	1,531,020	378,227	4,963,158			74,854,931
	302,812				(608,463)	8,445,020
4,244,039	1,067,694		1,107,054			8,294,001
20,926,839	673,185		344,527		(132,401)	27,147,383
22,987,748	**5,573,471**	**8,958,969**	**4,719,806**	**1,086,598**	**(194,922)**	**134,746,797**
6,699,219	**438,857**	**200,564**	**1,007,947**	**157,140**	**(33,398)**	**18,595,102**
(6,579,721)	**(403,127)**	**317,662**	**1,610,453**	**163,491**	**386,060**	**23,493,657**
2,589,009	**43,972**		**10,929**	**33,888**	**(11,588,234)**	**4,593,602**
58,369,170	**7,078,466**	**3,922,382**	**10,621,925**	**4,504,177**	**(302,339,359)**	**194,621,028**
24,239,666	**2,605,018**	**355,151**	**5,019,513**	**1,725,868**		**84,913,441**
				1,452,161		**9,523,412**
3,578,355	**913,514**		**947,188**			**7,057,238**
22,053,909	**623,288**		**353,612**	**240,699**	**(1,610,397)**	**27,971,131**

22. 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,	
	2002	2003	**2004**
Net income, as reported under Mexican GAAP	P. 4,885,078	P. 16,181,886	**P. 16,866,717**
Total U.S. GAAP adjustments, net	1,465,479	(509,739)	**(203,294)**
Net income under U.S. GAAP	P. 6,350,557	P. 15,672,147	**P. 16,663,423**
Total stockholders' equity under Mexican GAAP	P. 53,800,335	P. 72,803,965	**P. 77,567,889**
Total U.S. GAAP adjustments, net	(796,345)	2,057,106	**7,576,941**
Total stockholders' equity under U.S. GAAP	P. 53,003,990	P. 74,861,071	**P. 85,144,830**

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.

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

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.

EDGE (Enhanced Data rates for Global Evolution) A technology that gives GSM the capacity to handle services for the third generation of mobile telephony.

GPRS (General Packet Radio Service) Enables GSM networks to offer higher capacity, Internet-based-content and packet-based data services.

GSM (Global System for Mobile Communications) Enables advanced voice and data services.

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

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

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.

PoC (Push-to-talk over Cellular) Enables compatible mobile phones to function like two-way radios.

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.

Shareholder information

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Shares traded in Mexico
"A": Bolsa Mexicana de Valores
Symbol: AMX A

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

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

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

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

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