THRIVING

in challenging times

2008 ANNUAL REPORT

AMÉRICA MÓVIL

AMÉRICA MÓVIL is the leading provider of wireless services in Latin America and one of the five largest in the world in terms of equity subscribers. It has operations in seventeen countries, covering a combined population of over 800 million people. State-of-the-art products and quality services are available for more than 183 million people that make up América Móvil´s subscriber base and almost four million fixed lines in Central America and the Caribbean. 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.

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América Móvil finished 2008 on a high note, consolidating our position as the leading telecoms operator in the region even as the world was being shaken by unprecedented financial turmoil and strong recessionary winds blew everywhere. It is a company destined to thrive in challenging times. Thanks to its youth, which is a presage of the growth that lies ahead. Thanks to its operating, commercial and financial strength, that will allow it to emerge even farther ahead of the competition as the economy turns. Thanks to its experience, that has enabled it to navigate safely through rough waters. With no debt or liquidity concerns, a brand new 3G platform across 16 countries and ample capacity and coverage throughout Latin America—having invested in 2008 a record amount as far as the region goes—América Móvil is strategically placed to harness the surge in wireless services expected to take place in the coming years.

+10.9%

revenues

ebitda

+9.3%

+1.5%

net
income

RELEVANT FINANCIAL DATA

Data in millions of Mexican pesos as of December 31, 2008, except for earnings per share.

	2008	2007*	Var%	US$ MILLIONS 2008
Total Revenues	**345,655**	311,580	10.9%	25,532
EBITDA	**137,313**	125,600	9.3%	10,143
EBITDA Margin	**39.7%**	40.3%		39.7%
Operating Profit	**95,546**	85,194	12.2%	7,057
Operating Margin	**27.6%**	27.3%		27.6%
Net Income	**59,575**	58,697	1.5%	4,401
Earnings per Share (EPS, pesos)	**1.74**	1.67	4.3%	0.13
Earnings per ADR (US dollars)	**2.57**	3.07	-16.3%	
Total Shareholders´ Equity	**144,925**	126,858	14.2%	10,705
Total Assets	**435,455**	349,121	24.7%	32,165
Weighted Average of Common Shares Outstanding (millions)	**34,220**	35,149	-2.6%	2,528
Return on Equity	**43.8%**	48.7%		

We determine EBITDA as shown in this reconciliation:

	2008	2007*
Operating Income	95,546	85,194
Plus		
Depreciation	32,677	32,297
Amortization	9,090	8,109
EBITDA	137,313	125,600

*millions of Constant Mexican pesos as of December 31, 2007

At eight years old, América Móvil is still a young company in spite of its significant size and breadth of operations. Our youth reflects that of the Latin American wireless market we serve: an average life of barely 3.1 years in the voice segment; and in data, one still in its infancy. Having undergone a major transformation in our early years that completely changed our physiognomy as we expanded our footprint and increased our subscriber base, we are now in a different stage of development. Learning new skills and perfecting our talents, we intend to provide our clients with greater value-added products. We will continue to grow, but in a different form, as our returns will increasingly be driven by new revenue streams coming from data.

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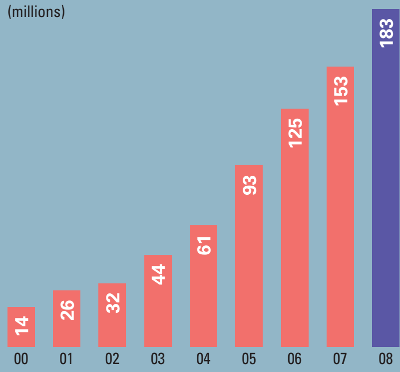
Wireless subscribers

(millions)

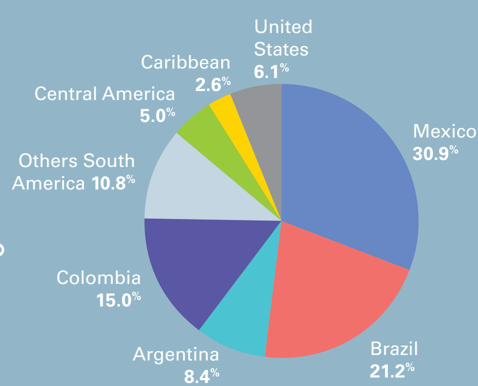


29.3

millions

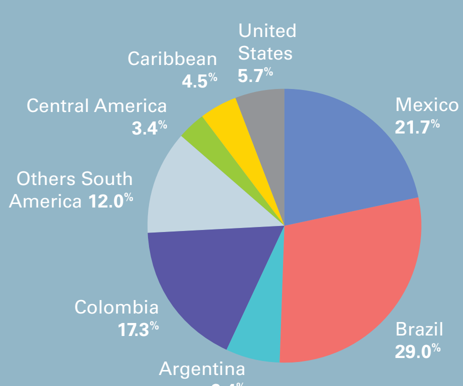
Wireless net subscribers additions

Wireless subscribers by region



"...we helped Latin America attain an 82% wireless penetration rate, nearly 7 times the one it had when América Móvil was established."

Wireless net additions by region



182,724,129

Total wireless subscribers in the Americas

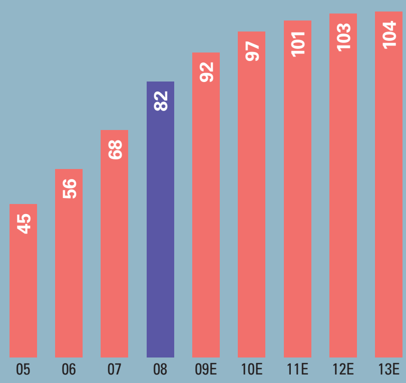
Healthy and strong, América Móvil is a company in its prime. Well positioned in our markets, we have made major investments in network infrastructure that provide us with considerable capacity to satisfy the demand for additional traffic from our clients. That make our presence be amply felt in the regions we serve thanks to our pervasive coverage. That allowed us to significantly expand, and improve on, the services we offer our clients through the incorporation of new technologies.

A company with commercial muscle supported by vast distribution networks and well-known brands. One that is financially robust and sturdy, with low leverage, abundant cash flow, small foreign exchange and interest rate exposures, and minimal refinancing risk, well positioned to weather the financial turmoil in the international markets. A firm that will bring to bear its strategic advantages to emerge even stronger from the economic downturn the world suffers today.

STRE

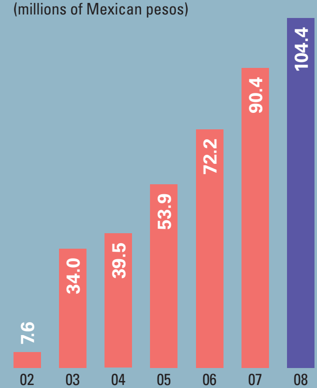
NGTH

Projected wireless penetration in AMX region
(%)



CAPEX
6.1
billion dollars

Operating free cash flow
(millions of Mexican pesos)



"Our investments in 3G constitute the foundation on which we are to build our data business."

4.6
billion dollars in distribution to shareholders

Return on equity

43.8%

500 Millions

Pops covered in Latin America

EXPER

IENCE

A young company it is, but also an experienced one. || With operations in 17 countries in the Americas and 183 million wireless subscribers, América Móvil has grown into a top player in the wireless world and in the process has gathered even more experience and skills. || Well versed in various wireless technologies—having developed common GSM and 3G platforms across our region of operations—we are well positioned to face the challenges and take advantage of the opportunities presented to us by a sector that is increasingly global and subject to a very fast pace of technological change. || With a low-cost culture, sound commercial policies, conservative financial management and a long-term view of our investments, we have proven to be a prudent and steady operator in an increasingly uncertain world, devoid of the rashness and love for risk some people associate with youth.

17

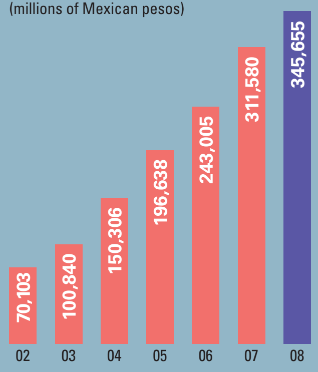
Countries in the Americas

EBITDA margin in 2008

39.7%

Revenues

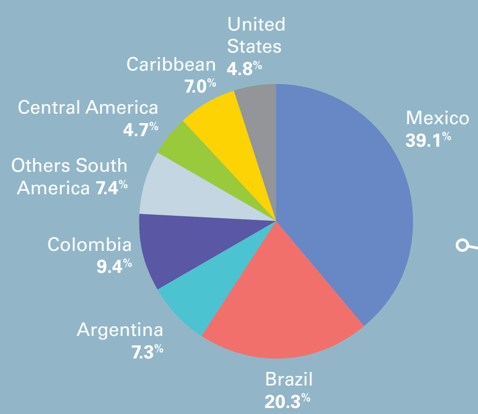
(millions of Mexican pesos)



+4.2%

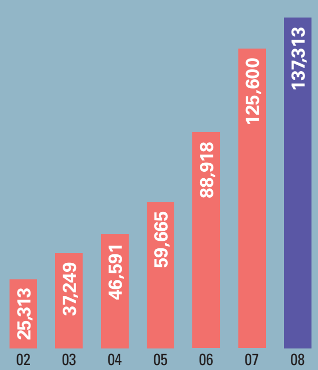
Earnings per share

Revenues by region



EBITDA

(millions of Mexican pesos)



"...América Móvil has grown into a top player in the wireless world. In the process we have gathered more experience and picked up new skills which should allow us to maintain our competitive edge..."

OUR COMPANY AT A GLANCE

1 United States: Tracfone[1]
Licensed pop: 304
Wireless penetration: 12%
Wireless market share: 30%
Wireless subscribers: 11,192
Revenues: 1,480
EBITDA: 269
América Móvil interest: 98.2%
Number of employees: 594

2 Mexico: Telcel
Licensed pop: 106
Wireless penetration: 73%
Wireless market share: 72%
Wireless subscribers: 56,371
Revenues: 12,114
EBITDA: 6,348
América Móvil interest: 100.0%
Number of employees: 16,526

3 Central America - Guatemala, Honduras, El Salvador & Nicaragua: Claro
Licensed pop: 33
Wireless penetration: 84%
Fixed line penetration: 20%
Wireless market share: 34%
Fixed line market share: 66%
Wireless subscribers: 9,158
Fixed Lines: 2,240
Revenues: 1,444
EBITDA: 657
América Móvil interest: 98.7%
Number of employees: 7,869

4 The Caribbean - Dominican Republic, Puerto Rico & Jamaica: Claro
Licensed pop: 16
Wireless penetration: 76%
Fixed line penetration: 9%
Wireless market share: 40%
Fixed line market share: 89%
Wireless subscribers: 4,809
Fixed lines: 1,605
Revenues: 2,160
EBITDA: 797
América Móvil interest: 100.0%
Number of employees: 7,530

5 Argentina, Paraguay & Uruguay: Claro
Licensed pop: 48
Wireless penetration: 108%
Wireless market share: 32%
Wireless subscribers: 16,589
Revenues: 2,255
EBITDA: 765
América Móvil interest: 100.0%
Number of employees: 2,398

6 Colombia: Comcel
Licensed pop: 43
Wireless penetration: 95%
Wireless market share: 67%
Wireless subscribers: 27,390
Revenues: 2,917
EBITDA: 1,406
América Móvil interest: 99.4%
Number of employees: 3,681

7 Ecuador: Conecel
Licensed pop: 13
Wireless penetration: 88%
Wireless market share: 71%
Wireless subscribers: 8,304
Revenues: 1,067
EBITDA: 484
América Móvil interest: 100.0%
Number of employees: 1,879

8 Peru: Claro
Licensed pop: 28
Wireless penetration: 66%
Wireless market share: 39%
Wireless subscribers: 7,178
Revenues: 735
EBITDA: 219
América Móvil interest: 100.0%
Number of employees: 1,701

9 Brazil: Claro
Licensed pop: 191
Wireless penetration: 78%
Wireless market share: 26%
Wireless subscribers: 38,731
Revenues: 6,288
EBITDA: 1,486
América Móvil interest: 100.0%
Number of employees: 9,296

10 Chile: Claro
Licensed pop: 17
Wireless penetration: 95%
Wireless market share: 19%
Wireless subscribers: 3,002
Revenues: 497
EBITDA: 16
América Móvil interest: 100.0%
Number of employees: 1,405

Licensed population in millions.
Subscribers in thousands.
Revenues and EBITDA in millions of dollars.
[1] Prepaid market only

2008 RELEVANT EVENTS

In March, our operations in Argentina, Paraguay and Uruguay (formerly CTI Móvil) were re-branded to Claro. Today, 13 of our subsidiaries, including all those in Central America and the Caribbean, share the same brand.

On May 7th América Móvil was awarded a license to provide wireless services in Panama through its Panamanian subsidiary, Claro Panama, S.A. Under the license, Claro has the right for the use and exploitation of 30 megahertz in the 1900-megahertz band over a 20-year period.

In the same month, we agreed with the Ecuadorean Government the renewal, for a new 15-year term, of our concession to provide wireless services in Ecuador.

In July 15th we started providing wireless services in the northern region of Brazil. We initiated operations in Pará, Maranhao and Amazonia. Claro has completed its nationwide coverage in the country.

In August, we announced the acquisition of a 100% interest in Estesa Holding Corp., a provider of cable television, broadband residential and corporate data services in Nicaragua.


United States
Caribbean: Dominican Republic, Puerto Rico & Jamaica
Mexico
Colombia
Central America: Guatemala, Honduras, El Salvador & Nicaragua
Brazil
Ecuador
Peru
Chile
Argentina, Paraguay & Uruguay

LETTER TO OUR SHAREHOLDERS

América Móvil finished 2008—our eighth year—on a high note, consolidating our position as the leading telecoms operator in the region even as the world was being shaken by unprecedented financial turmoil and strong recessionary winds blew everywhere. We added 29 million subscribers, more than we had budgeted, to end the year within shooting distance of the 200 million mark, with 183 million subscribers. In the process we helped Latin America attain an 82% wireless penetration rate, nearly 7 times the one it had when América Móvil was established.

Our presence spanned 17 countries as we readied the launch of operations in the 18th—Panama, to take place in the first quarter of 2009. We gained market share in some of the countries where we operate and made good inroads in markets that are relatively new to us. We maintained our competitive position in our main markets.

In 2008 we saw important declines in prices per minute of voice throughout the region, continuing the trend of the last few years. Such declines helped bring about significant increases in usage that allowed for ARPU expansion in some countries and smoother ARPU declines in other ones. In addition, we also saw a major expansion of data revenues in various operations. The above moves, which resulted in prices falling by as much as 30-35% in some countries and MOUs climbing as much as 38%, were made possible by our strong capital-expenditures program.

At $6 billion dollars, it represented our greatest investment effort so far, with $4.9 billion directed to the expansion of capacity and coverage of our wireless and wire-line networks and the introduction of 3G services in all of our operations, and the remaining $1.1 billion to the acquisition of spectrum and licenses. The expansion of capacity was instrumental in helping us continue to bring down prices per minute of voice whereas the introduction of 3G services was the main factor behind the growth of our data revenues, which expanded as much as 70% in some countries.

In a span of less than 12 months we started providing 3G services to customers in all of our operations, having established a common 3G platform that is the only one in the Americas and that helped us maintain our long-standing technological edge (for a long time we were the only operator around with a common GSM platform). Our investments in 3G constitute the foundation on which we are to build our data business. These and other investments in infrastructure have provided us with a significant strategic advantage that happens to be particularly valuable at times of financial distress like the one the world is facing today.

We are working hard to face an unusually tough economic environment, with Latin America slated to follow the recessionary course set by the developed world. Although South America is further removed from the U.S. than Mexico, it is already beginning to experience such pressures. This may bring about a slowdown of our subscriber growth and reduced usage from our clients in the short term, in spite of which our free cash flow will likely increase over the next two years relative to sales. The above is the case in part because the amounts we will need to direct towards capital expenditures will fall in the period, as we decided to front-load in 2008 our three-year investment program—initially meant to be flat over the period—on account of the demand we encountered for 3G services in some countries.

América Móvil faces no liquidity or debt concerns and is well positioned to weather the current storm. Because of our conservative management of financial affairs—keeping leverage down, maintaining adequate liquidity, stretching out debt amortizations, mindful of the importance of avoiding the bunching of maturities, and not taking undue foreign exchange risks— we will not be forced to access the financial markets at a time when credit is scarce and often very expensive.

Strong and healthy, América Móvil has grown into a top player in the wireless world. In the process we have gathered more experience and picked up new skills which should allow us to maintain our competitive edge in a sector that is increasingly global and subject to a very fast pace of technological change. These traits pose important challenges, surely, but they also represent opportunities.

Increasingly fast data-transmission speeds and an ever larger array of smart-phones—and more generally, mobile computing platforms—will likely result in an accelerated growth of data revenues in the years ahead. Internet browsing has been deemed the killer application that wireless users had been expecting to run in the new-generation networks and several technological platforms are currently being developed to obtain a share of that market. This has enormous implications for Latin America and other regions, as there will be many more Internet users that will access it through mobile devices.

This decade América Móvil presided over the growth of wireless voice in much of the Continent, with wireless penetration shooting up rapidly and reaching levels that consistently surpassed expectations. The process was helped by continued reductions in the price of handsets and infrastructure equipment, which in turn led to lower prices for voice and more subscribers. We believe the same dynamic is likely to hold with wireless data. Broadband penetration in Latin America today is even lower than voice penetration was when our company was established at the end of the year 2000.

In our view, the wireless voice market has plenty of growth left, in terms of both clients and usage. It is still young. But chances are that such growth will be over-shadowed by that of wireless broadband over the next decade. América Móvil is strategically positioned to drive the process in our region.

We are thankful to our 53 thousand employees whose support and enthusiasm have brought our company so far in such a short period of time. Their drive and productivity will help maintain the unique combination of growth and profitability that have kept so many of our shareholders loyal to us over the years.

We added 29 million subscribers, more than we had budgeted, to end the year within shooting distance of the 200 million mark, with 183 million subscribers.

PATRICIO SLIM DOMIT
Chairman of the Board

DANIEL HAJJ ABOUMRAD
Chief Executive Officer

América Móvil

In 2008, América Móvil added a total of 29.3 million wireless subscribers to finish the year with 182.7 million clients. Our wireless subscriber base rose 19.1% relative to the previous year. Together with 3.8 million fixed lines in Central America and the Caribbean, we had a total of 186.6 million lines at the end of 2008. In most of the large Latin American countries, we grew faster than the market; América Móvil was thus a growth catalyst. Wireless penetration is estimated to have reached 82% in our region of operations (excluding the U.S.) climbing nearly 13 percentage points in the year.

This growth was possible, as important efforts have been made to continue the expansion of our 3G coverage in the region, which is already quite extensive. Today more than 200 million people in 16 countries have access to our UMTS/HSDPA services, which enables them to make use of mobile broadband connections and an array of new applications. We are the only operator with a common GSM/UMTS/HSDPA platform in all countries in our region of operations.

Our Brazilian operations led in subscriber gains during 2008 with 8.5 million, followed by Mexico with 6.4 million and Colombia with 5.1 million. Argentina came fourth with 1.9 million net gains while Peru, Ecuador and the Caribbean obtained 1.7, 1.4 and 1.3 million subscribers, respectively. Tracfone, in the U.S., produced 1.7 million new subs.

Overall, net additions for the year exceeded by 2.3% those of the prior year. Noteworthy, was the increase of 79.7% in Colombia, and of 34.0% in Brazil. Chile, Ecuador, Tracfone in the U.S. and the Caribbean also registered greater subscriber additions than in 2007.

As of year-end our subscriber base comprised 56.4 million clients in Mexico (30.9% of the total), 38.7 million in Brazil, 27.4 million in Colombia and 15.4 million in Argentina. Amongst the major countries Brazil has grown the fastest in annual terms (28.1%), Colombia grew 22.6% annually while Mexico and Argentina expanded at roughly the same pace (approximately 13%). The more dynamic growth in the region was observed in the Dominican Republic and Peru; they increased its subscriber base 44.6% and 31.6% year-on-year, respectively.

Revenues totaled 31.0 billion dollars in 2008. They were up 10.9% year-on-year, with service revenues increasing by 11.9%. Our operations in the south cone exhibited faster revenue growth, 18.2% in an annual fashion. Argentina led in terms of service revenue growth followed by Ecuador and Peru.

EBITDA ended the year at 12.4 billion dollars, having risen by 9.3% from the previous year. The EBITDA margin for the full year, at 39.7% of total revenues, remained practically unchanged. Two of our operations—Tracfone in the U.S. and Claro in Argentina, Uruguay and Paraguay—saw their margins improve by nearly 7 percentage points in the year, Ecuador showed an improvement of 4 percentage points in its margin.

Depreciation and amortization charges have come down from 13.0% of revenues in 2007 to 12.1% this year, as we have depreciated for the most part our TDMA and CDMA networks. This contributed to the 12.2% yearly increase in our operating profit, which reached 8.7 billion dollars in the year.

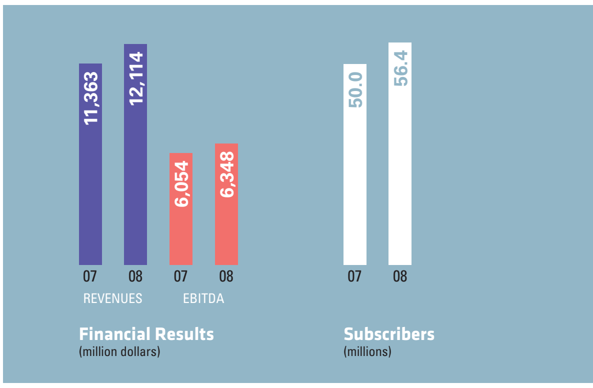
Financing costs reached 1.3 billion dollars in the year reflecting the increase in our net debt position (30.8% year-on-year), the jump in short-term peso-based interest rates and the foreign exchange losses stemming mostly from the impact of the devaluation of the Mexican peso vis-à-vis the U.S. dollar on our un-hedged dollar debt that took place in the last quarter. It all resulted in a net profit of 5.4 billion dollars in the year.

Capital expenditures totaled 6.1 billion dollars in 2008, including 1.1 billion that were directed to the acquisition of spectrum, licenses and concessions (Brazil, Panama and Ecuador). They were higher than we budgeted initially since we decided to bring forth in the second half of the year part of the investments that we intended to make in 2009 to expand further our data and voice capacity. These investments have strengthened our competitive position.

Our capital expenditures—the largest we have undertaken so far—were wholly financed by our cash flow from operations, which also allowed us to cover the majority of the 51.9 billion pesos in distributions made to shareholders through share buybacks and dividends.

COUNTRY	COMPANY	BUSINESS	EQUITY PARTICIPATION	CONSOLIDATION METHOD
Subsidiaries				
Mexico	Telcel	wireless	100.0%	Global Consolidation Method
Argentina	Claro	wireless	100.0%	Global Consolidation Method
Brazil	Claro	wireless	100.0%	Global Consolidation Method
Chile	Claro	wireless	100.0%	Global Consolidation Method
Colombia	Comcel	wireless	99.2%	Global Consolidation Method
Dominican Republic	Claro	wireless, wireline	100.0%	Global Consolidation Method
Ecuador	Conecel	wireless	100.0%	Global Consolidation Method
El Salvador	Claro	wireless, wireline	95.8%	Global Consolidation Method
Guatemala	Claro	wireless, wireline	99.1%	Global Consolidation Method
Honduras	Claro	wireless	100.0%	Global Consolidation Method
Jamaica	Claro	wireless	100.0%	Global Consolidation Method
Nicaragua	Claro	wireless, wireline	99.3%	Global Consolidation Method
Paraguay	Claro	wireless	100.0%	Global Consolidation Method
Peru	Claro	wireless	100.0%	Global Consolidation Method
Puerto Rico	Claro	wireless, wireline	100.0%	Global Consolidation Method
Uruguay	Claro	wireless	100.0%	Global Consolidation Method
United States	Tracfone	wireless	98.2%	Global Consolidation Method
Affiliate				
Mexico	Telvista	other	44.7%	Equity Method

Mexico



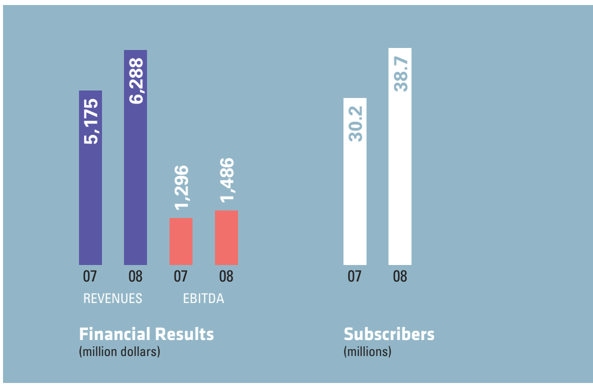
Our Mexican operations gained 6.4 million net additions in 2008, slightly less than a year before. At the end of December we had 56.4 million subscribers in Mexico, 12.7% more than in 2007. Wireless penetration reached 74% at year-end; today almost all of the population older than 15 years old has a wireless phone.

In February, we launched our new UMTS/HSDPA network in Mexico; by the end of 2008 we covered more than 65% of the Mexican population and in excess of 900 kilometers of highways. This enabled us to, on the one hand, lower the average revenue per minute of voice, which declined 24% relative to that of 2007. It is the lowest within the OECD countries except for the U.S. and, in the case of the prepaid segment, the lowest in the OECD block. And on the other hand, to offer a new array of value added services that resulted in an annual expansion of 18% of our data revenues, which have continued increasing their relative share of service revenues to nearly 18%.

At 12.1 billion dollars, our Mexican revenues were 8.8% greater than those obtained in 2007 in local currency terms, with service revenues expanding at roughly the same pace. EBITDA for the year came in at 6.3 billion dollars, up 7.0% year-on-year in local currency terms. The EBITDA margin in 2008 stood at 52.4%.

In July, mobile number portability was implemented in Mexico. This was the first country in Latin America to adopt this new scheme by which subscribers may change carriers without loosing their number. In the early stages of number portability, the total number of ported lines has been minor, however Telcel has been a net gainer of ported subscribers.

Brazil



2008 was characterized by strong subscriber growth in Brazil with Claro leading the way. We actually increased our market share to 25.7% at December-end and we are today the second largest player by was of subscribers. We gained 8.5 million wireless subscribers in the year, which accounted for 29% of Brazil's subscriber additions. Our subscriber base topped 38.7 million clients at the end of December after rising 28.1% throughout the year. Our postpaid subscriber base expanded faster in 2008 (36%) than our prepaid one. The accelerated growth of the Brazilian market took wireless penetration to 78.5% by year-end.

Our revenues totaled 6.3 billion dollars, 21.5% more than a year before. Service revenues increased 18% relative to the previous year being data the most dynamic component of service revenues. It has been just over a year since we started offering 3G services in Brazil and data revenues rose 59% relative to 2007. Data represented around 9% of service revenues in 2008.

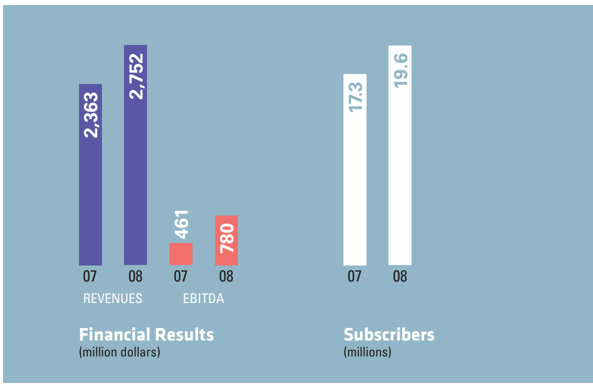
Our UMTS coverage reached 51% of the pops in Brazil in 283 cities.The trend towards lower prices that began in 2007 as we introduced 3G services continued in '08, with the average price per minute of voice declining 25% in Brazilian reais compared to the prior year.

The EBITDA for the year increased 8.9% in local currency or 14.6% in dollars from a year earlier to 1.5 billion dollars, with the EBITDA margin declining slightly to 23.6% reflective of the fast pace of subscriber growth.

In September mobile number portability was implemented in some municipalities in Brazil, it is now operating nationwide. Claro has benefited from this new system and has been a net gainer of ported numbers thus far.

Mercosur

Argentina, Paraguay, Uruguay & Chile



Altogether, our operations in Argentina, Paraguay and Uruguay added just about two million clients in 2008. Our subscriber base climbed 13.5% in the year, to 16.6 million. It is noteworthy that our postpaid subscriber base has been growing more rapidly than the prepaid one at an annual rate of 29.5%.

In 2008, Claro in Argentina became the market leader in terms of subscribers with a market share of 35.2%. Argentina's wireless penetration is the highest in the Continent at 113% at the end of the year.

Revenues came in at 2.3 billion dollars, exceeding by 21% those registered a year before. Service revenues grew faster than our subscriber base; data revenues were the most dynamic component of service revenues, rising 59% annually. Data accounted for 31% of the service revenues of the block, 31% in the particular case of Argentina. As subscriber growth became more moderate, the year's EBITDA—765 million dollars—surpassed that of 2007 by 49.7%, and the margin climbed 6.5 percentage points from a year before, to 33.9%.

As we continued the expansion of our 3G networks in 2008, more than 54% of our licensed pops in this region has access to wireless broadband and a wide array of data applications.

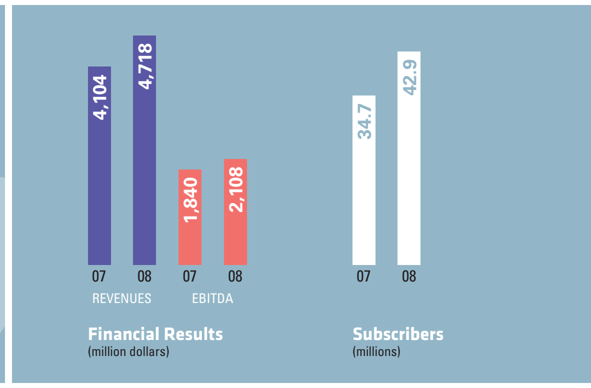
Our subscriber base in Chile increased 12.3% year-over-year to over three million subscribers, after adding 330 thousand clients in the year.

We obtained 497 million dollars of revenues during 2008 and 16 million dollars of EBITDA, the margin for the year came in at 3.2%.

We took the lead in introducing 3G services in the country. By year-end, we covered 78% of the Chilean population with our UMTS network.

Andean

Colombia, Ecuador & Peru



Our Colombian operations added a total of 5.1 million subscribers in the year. On an annual basis, net subscriber additions were up 79.7% in 2008. Our subscriber base expanded 22.6% in the year, to reach 27.4 million clients. Wireless penetration in Colombia increased almost 15 percentage points in the year and it now stands at 94.5%.

Revenues totaled 2.9 billion dollars, 9.8% higher than in the previous year. Service revenue growth was somewhat higher being data its most dynamic component. Value added service revenues expanded 53.1% year-on-year. Relative to service revenues data represents 6%. EBITDA rose 8.3% in 2008 to 1.4 billion dollars, and the EBITDA margin remained practically unchanged at 48.2%.

After adding 1.4 million clients in the year, our Ecuadorian subsidiary ended 2008 with 8.3 million subscribers, 19.7% more than we had a year before. Porta remains an important driver of wireless penetration in the country, as it reached 71% and we continued to gain market share.

2008 revenues reached 1.1 billion dollars, having risen 22.3% in the year. Our average price per minute of voice plummeted by 18% in the year, helping drive a 29.5% increase in traffic per subscriber, which resulted in a 4.7% increase in blended ARPU. Data revenues were up 19.2% relative to last year and they account for 21% of total service revenues.

EBITDA amounted to 484 million dollars. The year's EBITDA was up 34.3% relative to 2007 as the costs of growth, particularly subscriber acquisition costs, became smaller in relation to the revenue base. Our EBITDA margin stood at 45.4%, 4 percentage points higher than last year's.

In August, we obtained from the Ecuadorian Telecommunications Agency the renewal of our concession to provide mobile telecommunications services in Ecuador. The new agreement extended the concession for a 15-year term.

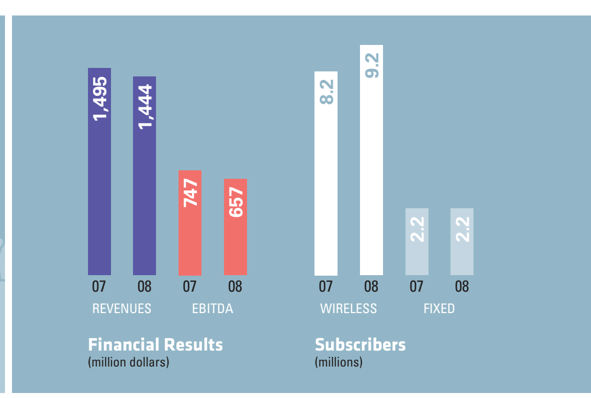
Peru remains one of our fastest growing operations. We registered net additions of 1.7 million subscribers in the year. At 7.2 million, our subscriber base increased 31.6% relative to the previous year, with our postpaid subscriber base growing 53.3% in annual terms. Wireless penetration jumped over 15 percentage points in the year, and today, 66% of the population in Peru has a wireless phone.

In 2008, revenues totaled 735 million dollars, a 28% increase over the previous year. Service revenues grew somewhat faster with data revenues rising 22.1% over the previous year. EBITDA for the year came in at 219 million dollars—equivalent to 29.8% of revenues—as it increased 19.7% over the year.

In Colombia, Ecuador and Peru we remain the sole operator offering 3G services. In only nine months we managed to build out coverage for 63% of the population in Colombia, 41% in Ecuador and 28% in Peru.

Central America

Guatemala, El Salvador, Honduras & Nicaragua



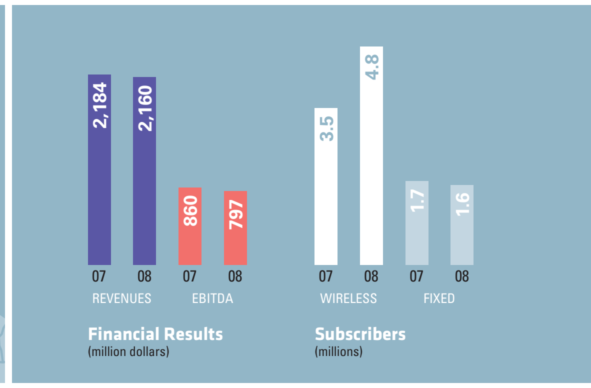
Our combined operations in Guatemala, Honduras, Nicaragua and El Salvador finished the period with 9.2 million wireless subscribers. Our subscriber base grew 12.3% year-on-year after adding just over one million clients in the period. Nicaragua was the fastest growing operation in the region.

Consolidated revenues for the year were 1.4 billion dollars. EBITDA amounted to 657 million dollars and the EBITDA margin came in at 45.5%.

We have UMTS/HSDPA coverage throughout Central America. Our new network is available for more than 11 million people in that region.

Caribbean

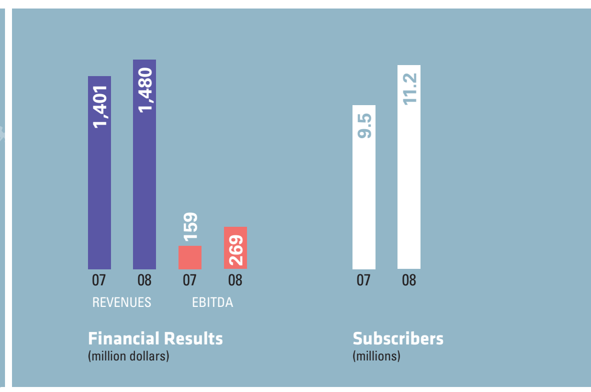
Dominican Republic, Puerto Rico & Jamaica



We finished December with 4.8 million wireless subscribers in the Caribbean, having added 1.3 million. Our subscriber base grew 37.6% relative to 2007 with the Dominican Republic showing the fastest growth (44.6%).

We obtained 2.2 billion dollars of revenues in 2008, roughly the same amount as a year before, although mobile revenues rose 25.3% year-on-year. The significant number of net additions had a bearing on EBITDA, which came in at 797 million dollars, or the equivalent to 36.9% of revenues.

United States



Total net adds in 2008 were 1.7 million taking our subscriber base to 11.2 million, which represented an increase of 17.6% year-over-year.

Revenues were up 5.7% annually to 1.5 billion dollars, with service revenues rising 8.8%. EBITDA climbed 69.2% to 269 million dollars, with the EBITDA margin jumping 6.8 percentage points in the year.

BOARD MEMBERS

CARLOS SLIM HELÚ
Chairman Emeritus
Principal Occupation: Chairman Emeritus of the Board of Directors of Teléfonos de México, S.A.B. de C.V., Chairman Emeritus of the Board of Directors of Carso Global Telecom, S.A.B. de C.V.
Born: 1940

PATRICK SLIM DOMIT
Chairman and Member of the Executive Committee
Principal Occupation: Director of Carso Global Telecom, S.A.B. de C.V., Grupo Carso, S.A.B. de C.V., Telmex and Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V.
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: Vice-chairman of the Board of Directors of Carso Global Telecom, S.A.B. de C.V.
Born: 1950

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

MARÍA ASUNCIÓN ARAMBURUZABALA LARREGUI
Director
Principal Occupation: Chief Executive Officer of Tresalia Capital.
Born: 1963

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

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

JOHN STEPHENS
Director
Principal Occupation: Senior Vice-President and Controller of AT&T
Born: 1959

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

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

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

DAVID IBARRA MUÑOZ
Director and Member of the Audit Committee and the Compensation Committee
Principal Occupation: Director of Grupo Financiero Inbursa, S.A. de C.V.
Born: 1930

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

DIRECTORY

AMÉRICA MÓVIL
Daniel Hajj Aboumrad
Chief Executive Officer

Carlos García-Moreno Elizondo
Chief Financial Officer

Carlos Cárdenas Blásquez
Executive Director Latin America Operations

Alejandro Cantú Jiménez
General Counsel

MEXICO
Patricia Raquel Hevia Coto
Chief Operating Officer

Salvador Cortés Gómez
Chief Operating Officer

Fernando Ocampo Carapia
Chief Financial Officer

CENTRAL AMERICA
Julio Carlos Porras
Chief Executive Officer

Enrique Luna Roshard
Chief Financial Officer

COLOMBIA
Adrián Hernández Urueta
Chief Executive Officer

Carlos Augusto Giraldo Vélez
Chief Financial Officer

ECUADOR
Alfredo Escobar San Lucas
Chief Executive Officer

Marco Antonio Campos García
Chief Financial Officer

PERU
Humberto Chávez López
Chief Executive Officer

Manuel Navarrete Zavala
Chief Financial Officer

BRAZIL
Joao Cox
Chief Executive Officer

Joao Alberto Santos
Chief Financial Officer

CHILE
Gerardo Muñoz Lozano
Chief Executive Officer

Cristian Serrano Garay
Chief Financial Officer

ARGENTINA, URUGUAY & PARAGUAY
Carlos Zenteno de los Santos
Chief Executive Officer

Fernando González Apango
Chief Financial Officer

DOMINICAN REPUBLIC
Oscar Peña Chacón
Chief Executive Officer

Francisco Marmolejo Alcántara
Chief Financial Officer

PUERTO RICO
Enrique Ortiz de Montellano Rangel
Chief Executive Officer

Adail Ortiz Santiago
Chief Operating Officer

JAMAICA
Alejandro Gutiérrez Olvera Cabrales
Chief Executive Officer

Juan Antonio Escorcia
Chief Operating Officer

UNITED STATES
F.J. Pollak
Chief Executive Officer

Gustavo Blanco Villanueva
Executive Director

CEO's Report to the Board of Directors

Mexico City, Federal District, April 20, 2009.

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

Dear Board Members,

It is my pleasure to submit to you my report of activities as Chief Executive Officer of América Móvil, S.A.B. de C.V. (the "Company" or "América Móvil") during the year ended December 31, 2008, pursuant to Article 44, Section XI of the Securities Market Law. The foregoing report should be read and reviewed in conjunction with the report of the External Auditor dated April 15, 2009, submitted to the shareholders' meeting as part of the financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2008, a copy of which is attached hereto.

Notwithstanding a complex global environment, the Company posted a positive result and succeeded in ensuring the continuity of its expansion and technological development strategy, partly as a result of its conservative approach towards the management of its financial assets. This enabled us to retain our corporate flexibility, which is one of the key factors based upon which to overcome any uncertainties.

With this in mind, and being fully aware of our position of leadership in Latin America's telecommunications markets, I am pleased to be able to address a few lines filled with gratitude to those whose ongoing participation in the Company's decision-making processes has made all of this possible yet again.

In 2008, we continued to demonstrate our passion for staying one step ahead technologically with the roll-out of our third-generation (3G) network in all of our countries within the region and the establishment of various commercial arrangements with some of the mayor providers of technology, which enabled us to incorporate cellular equipment of the most recent generation available. Our high levels of dynamism and consistency facilitated the installation of a GSM/UMTS/HSDPA technological platform that allows our customers to receive voice and data services with the highest standards of quality. This technological roll-out also enabled us to significantly enhance the connecting speed yielded by our wireless broadband services so as to reach rural areas where we are fast becoming an active promoter of their development within the region.

In continuing to move along the path towards consolidation, in 2008 we reaffirmed our expansion strategy by entering the telecommunications market of Panama with the acquisition of a 20-year license that will enable us to offer voice, data and video services (PCS) throughout the country. Similarly, given (i) the acquisition of Estesa Holding Corp., a company whose affiliates are engaged in the provision of cable TV, residential broadband Internet access and business data services in Nicaragua, and (ii) the execution of a new concession agreement in Ecuador, which will enable us to continue providing wireless communications to the Ecuadorean population for another 15 years, we continue to expand and consolidate our presence wide and large throughout the entire Americas.

As for our financial condition, results of operations, net worth and changes therein during 2008, I am pleased to report the following:

(i) Our number of wireless subscribers grew by 29.3 million, to 182.7 million or 2.3% with respect to 2007. Including our 3.8 million fixed-line subscribers, as at year's end in 2008 América Móvil's aggregate number of subscribers was 186.6 million, representing a nineteen-fold increase with respect to its number of subscribers when it first began operating in 2000.

(ii) In 2008, we had total revenues of Ps.346 billion, a 10.9% increase with respect to 2007 boosted by our revenues from data, which grew at an annual rate of 29.8% or more than twice as fast as our revenues from services, which increased by 11.9% in 2008.

(iii) Our operating cash flow grew at a rate of 9.3% in 2008, to Ps.137 billion.

(iv) In 2008, our operating cash flow margin equaled 39.7% of our revenues, representing a decrease equal to less than one percent for the year.

(v) Our operating profit was Ps.95.5 million in 2008, which represented a 12.2% increase with respect to 2007.

(vi) The Company's net profit for 2008 was Ps.60.0 billion.

(vii) Earnings per share in 2008 were Ps.1.74 pesos, a 4.3% increase with respect to 2007.

(viii) Our capital expenditures, repurchases, dividend payments and acquisitions amounted to an aggregate of Ps.120.1 billion, including (i) Ps.54.3 billion in plants and equipment, Ps.13.9 billion in the acquisition of spectrum, licenses and concessions in Brazil, Ecuador and Panama, and (iii) and Ps.51.9 billion in share repurchases and dividend payments.

(ix) The Company's net debt rose by Ps.28.6 billion, which resulted in our net debt/operating cash flow ratio being only 0.88 (pro forma for the 12-month period), a slight decrease as compared to the year's end in 2007.

For a more detailed analysis of our financial information and results of operations, please refer to the report of the External Auditor to the shareholders' meeting dated April 15, 2009, and the accompanying financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2008.

In 2008, our Mexican operations contributed 6.4 million new subscribers, thereby increasing to 56.4 million their number of subscribers as at the year's end. Our Brazilian operations contributed 8.5 million new subscribers, thereby increasing to 38.7 million their number of subscribers. Our operations in Argentina, Paraguay and Uruguay contributed an aggregate of 2.0 million new subscribers in 2008, thereby increasing to 16.6 million their aggregate number of subscribers. In 2008, our Colombian subsidiary contributed 5.1 million new subscribers, thereby increasing to 27.4 million its number of subscribers as at the year's end. Our number of subscribers in Ecuador grew by 1.4 million, to 8.3 million as at the year's end in 2008. Our subsidiary in Peru contributed 1.7 million new subscribers, thereby increasing its total number of subscribers to 7.2 million. Our operations in Chile had 3.0 million subscribers as at the year's end. In 2008, our operations in Central America, which are comprised by Guatemala, El Salvador, Nicaragua and Honduras, together contributed 1.0 million new subscribers, thereby increasing their aggregate number of subscribers to 9.2 million. Our Caribbean operations, which are comprised by the Dominican Republic, Puerto Rico and Jamaica, together contributed 1.3 million subscribers, thereby increasing our subscriber base in the region to 4.8 million, in addition to our 1.6 million fixed-line subscribers therein. Lastly, in 2008 our U.S. subsidiary contributed 1.7 million customers, thereby increasing its number of subscribers to 11.2 million.

It is noteworthy that in 2008, 100% of our growth in subscribers was attained organically through the expansion of our business operations and market strength.

The market acceptance attained by our Claro brand, which has been a critical element of the promotion and marketing of our fixed line and wireless telephone services in some countries, prompted us to focus our efforts on gradually expanding Claro to the rest of the markets in which we currently operate. Consistent with this, we introduced it in connection with our business operations in Argentina, Paraguay and Uruguay effective March, 2008. The results are for all to see. Thirteen of our subsidiaries now share the same logo, which not only differentiates us from our competitors but enjoys unequivocal recognition from our users.

In 2008, we paid our shareholders dividends in excess of Ps.51 billion. The relevance of this fact aside, we continue to believe that our shareholders' confidence and support throughout the Company's material decision-making processes are and will remain invaluable elements of the ongoing expansion of its business. I once again encourage them to work closely with the Company's management so as to attain the continuing success that awaits us.

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

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

Sincerely,

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

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

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

Pursuant to Sections IV(c), (d) and (e) of Article 28 of the Securities Market Law, and based upon the recommendations contained in the Code of Better Corporate Practices issued by the Business Coordinating Council, on behalf of the Board of Directors of América Móvil, S.A.B. de C.V. (the "Company") I hereby submit to you the following opinion and reports in connection with the year ended December 31, 2008.

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

Pursuant to Section IV(c) of Article 28 of the Securities Market Law, the Board of Directors of the Company, based upon its various meetings with the Chief Executive Officer and the executive officers of the entities controlled by the Company, on the explanations submitted by the such individuals, on its review of all the necessary information and documents, on the report of the External Auditors that is attached hereto, and on the report of the Audit Committee, is of the opinion that the report of the Chief Executive Officer of the Company pursuant to Section XI of Article 44 of the Securities Market Law (the "Report") is adequate and sufficient, and that (i) the accounting and information policies and criteria followed by the Company are adequate and sufficient in light of the Company's specific circumstances, (ii) such policies and criteria have been consistently applied in the information submitted by the Chief Executive Officer of the Company, and (iii) based upon (i) and (ii) above, the information submitted by the Chief Executive Officer fairly presents the Company's financial condition and results of operations.

B. Report Pursuant to Article 172(b) of the General Law of Business Corporations, Regarding the Company's Accounting Policies and Criteria.

We have reviewed the financial statements of the Company as of and for the year ended December 31, 2008, the report of the External Auditors, and the accounting policies used in the preparation thereof, including, as the case may be, any changes in and effects of such policies.

Based upon the comments provided by the External Auditors, who are required to issue an opinion with respect to the accuracy of the financial statements of the Company and its subsidiaries and their conformity with the financial information norms (Normas de Información Financiera, or NIFs) applicable in Mexico, and upon the results of our own review of the financial statements of the Company as of and for the year ended December 31, 2008, the Board of Directors hereby recommends to the shareholders the approval of such financial statements, which in its opinion fairly present the financial condition of the Company as of such date.

Further, the Board of Directors hereby reports that the accounting policies and criteria followed by the management in the preparation of the Company's financial information, which policies and criteria are described and explained in the notes to the financial statements of the Company, were reviewed in due course by the Audit Committee and approved by the Board of Directors.

C. Report Pursuant to Section IV(e) of Article 28 of the Securities Market Law, Regarding the Operation and Activities of the Board of Directors During 2008.

In 2008, the Board of Directors carried out, among others, the following activities:

(a) Discussed, reviewed and approved the operating reports submitted by the Chief Executive Officer with respect to, among other things, the principal activities of the Company and its subsidiaries and the business opportunities available in the markets in which they operate;

(b) Discussed, reviewed and approved the Company's consolidated income statement and balance sheet (prepared in accordance with the NIFs applicable in Mexico), which were jointly prepared and submitted by the Chief Executive Officer and the Director of Administration and Finance;

(c) Submitted, discussed, reviewed and approved various investment and acquisition plans and proposals available to the Company in 2008;

(d) Submitted, discussed, reviewed and approved various proposals in connection with the incurrence and/or issuance of debt instruments by the Company in 2008, and with the Company's authorization to guarantee the debt obligations of any of its subsidiaries;

(e) Submitted, discussed, reviewed and approved various proposals in connection with a number of public offerings (both primary and secondary), trading and/or placement of equity or other securities issued by the Company or its subsidiaries in one or more Latin American markets;

(f) Analyzed, discussed, reviewed and approved numerous reports and matters introduced by the Company's officers;

(g) Acknowledged receipt of the information pertaining to the most significant matters associated with the operations of the Company and its subsidiaries;

(h) Submitted to the shareholders a proposal in connection with the allocation of the Company's profits, and issued notices of the Company's shareholders' meetings;

(i) Analyzed and discussed various reports and matters submitted by the Company's Audit Committee; and

(j) Approved the Company's preliminary budget for 2009, submitted by the Chief Executive Officer.

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

Sincerely,

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

Mexico City, Federal District, Mexico. April 20, 2009.

Encls. Report of the Chief Executive Officer of the Company, including the Report of the External Auditors.

Report of the Audit Committee

Mexico City, Federal District, April 20, 2009.

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

Dear Board Members,

In my capacity as Chairman of the Audit Committee of América Móvil, S.A.B. de C.V. (the "Company"), I hereby submit to you the report referred to in Article 43 of the Securities Market Law, on the operations and activities of the Audit Committee of the Company during the year ended December 31, 2008.

As you well know, the duties of the Audit Committee include, among others, the preparation of a report concerning the status of the internal control systems of the Company and its subsidiaries, including a description of any deficiencies therein, deviations therefrom or aspects thereof requiring improvement, taking into consideration the opinions, reports, communications and directives issued by the external auditors and any independent experts. To such end, during fiscal year 2008 the Audit Committee held four (4) meetings, on the following dates: February 5, July 8, September 9 and November 11 (the "Meetings"), and on May 14 approved certain resolutions by unanimous consent in lieu of a meeting (the "Resolutions by Unanimous Consent"). All Meetings were attended by a majority of the members of the Audit Committee, and by the Secretary and/or Alternate Secretary of the Board of Directors of the Company, who provided assistance and prepared the minutes reflecting all the actions validly taken thereat. In addition, all Meetings were attended by representatives of Mancera, S.C., members of Ernst & Young Global, independent auditors of the Company, by the relevant executive officers of the Company and, on occasion, depending on the matters to be addressed based upon the relevant agenda, by special guests. It should be noted that all resolutions adopted at the Meetings, as well as the Resolutions by Unanimous Consent, were duly recorded in the book maintained to such effect by the Secretary of the Board of Directors of the Company.

The Company's management is responsible for the preparation of the financial statements of the Company in accordance with the financial information norms (Normas de Información Financiera, or NIFs) applicable in Mexico, the preparation, on a timely and adequate fashion, of the financial and other information of the Company for its disclosure to the securities markets in which the Company is currently listed, and the implementation of the Company's internal control systems. On its part, the Audit Committee, on behalf of the Board of Directors, has reviewed the audited consolidated financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2008. Such review included the analysis and approval of the Company's accounting policies, procedures and practices.

During 2008, the Audit Committee carried out the following activities:

(a) Reviewed, analyzed and approved the Company's principal accounting policies and certified that during 2008 the Company did not modify any such policy;

(b) Provided assistance to oversee the satisfaction of the audit services agreements and evaluate the results of the relevant audits;

(c) Submitted to the Board of Directors recommendations in connection with the basis for the preparation and disclosure of the Company's financial information and its general internal control guidelines;

(d) Reviewed the status of the internal control and internal audit systems of the Company and its subsidiaries, taking into consideration the effect of such subsidiaries on the Company's general condition. To such end, it reviewed the report of the external auditors and met with them and with various members of the Company's management. Based upon the above, it did not encounter any material deficiency or deviation that may require disclosure, except for those in respect of which appropriate actions had been previously taken and which had been previously disclosed to the Board of Directors and/or the market, as applicable;

(e) Implemented such preventive and corrective measures as it deemed necessary to prevent and, as the case may be, penalize the violation of the operating and financial reporting guidelines and policies of the Company and its subsidiaries;

(f) Analyzed various alternatives and submitted to the Board of Directors recommendations with respect to the candidates to the position of external auditors of the Company, the scope of their duties and the terms and conditions of their engagements, so as to arrange for the auditing of the Company's accounts. Based upon a detailed analysis of the various proposals submitted to us in connection therewith, it was decided by unanimous consent to continue to retain Ernst & Young Global as independent auditors for the period from 2008 to 2010;

(g) Performed an evaluation in respect of the services rendered by Mancera, S.C., members of Ernst & Young Global, independent auditors of the Company, and concluded that such services were satisfactory. It obtained confirmation from such auditors as to their independent status, and conducted interviews with such auditors in order to verify the satisfaction of the independency and turnover requirements applicable to their personnel;

(h) Reviewed, together with the Company's external auditors, the analysis and comments issued and the nature and scope of the procedures employed by the latter during the course of the auditing process, so as to ensure their objectivity and the usefulness, timeliness and reliability of the financial information;

(i) Met on a regular basis with the Company's internal and Evaluated external auditors, outside the presence of the Company's executive officers, in order to hear their comments and observations regarding their work progress, thereby fostering an increased coordination between the external auditors and the Company's management;

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

(k) Reviewed and evaluated the results of the tests applied in respect of the control systems established to ensure compliance with the provisions of Section 404 of the Sarbanes-Oaxley Act;

(l) Addressed and resolved the various requests for approval submitted by the Department of Administration and Finance in connection with the professional fees payable to the Company's tax advisors;

(m)Reviewed and discussed the reports of the external auditors with respect to the results of the Company's audit as of December 31, 2008;

(n) Reviewed the various reports submitted by the Department of Administration and Finance with respect to the implementation and testing of the Company's internal control mechanisms;

(o) Reviewed the financial statements of the Company and its subsidiaries as of and for the year ended December 31, 2008, the auditors' report thereon and the accounting policies followed in the preparation thereof. Based on the input of the external auditors, who are required to render their opinion as to the accuracy of the Company's financial statements and their conformity with the NIFs applicable in Mexico, it recommended to the Board of Directors the approval of such financial statements for submission to the Company's general shareholders' meeting;

(p) Reviewed and analyzed various related-party transactions, determined which such transactions required disclosure in the notes to the Company's financial statements, and recommended to the Board of Directors the approval of those such transactions that it deemed appropriate. It further participated in the preparation of the policies applicable to the execution of related-party transactions;

(q) Oversaw the execution of the resolutions adopted by the shareholders' meeting and the Board of Directors of the Company;

(r) Reviewed, evaluated and approved various fee proposals submitted by Mancera, S.C., members of Ernst & Young Global, independent auditors of the Company, in connection with certain supplemental services rendered thereby, ensuring that the amount of such fees would not compromise their independent status. Further, it reviewed the services rendered by the independent experts retained by the Company, based upon the information disclosed thereby;

(s) Reviewed and analyzed the report of the Board of Directors on the status of the Company's corporate affairs, including the status of the Company's legal documentation;

(t) Did not recommend to the Board of Directors, or exercised any of its own powers and authorities in connection with, the granting of any waiver pursuant to Section III(f) of Article 28 of the Securities Market Law, to any director, executive officer or other person in a position of command;

(u) Held various meetings with the Company's management and independent auditors in order to analyze and discuss, in as much detail as possible, the impact of the legal changes recommended by the Ministry of Finance and Public Credit (through the National Banking and Securities Commission), which resulted in the amendment of the general provisions applicable to all issuers and other participants in the securities market, so as to allow Mexican issuers to prepare and present their financial statements in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ((IASB); and

(v) Reviewed the principal items of the Company's annual budget and their allocation.

This report is rendered pursuant to the provisions contained in the Securities Market Law and takes into consideration the comments provided by the relevant executive officers of the Company.

Very truly yours,

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

Financial Summary

	2008	2007	2006	2005	2004	2003
OPERATING RESULT						
Service Revenues	298,150	266,336	202,731	159,859	123,506	86,678
Equipment Revenues	47,505	45,244	40,274	36,779	26,800	14,162
Total Revenues	345,655	311,580	243,005	196,638	150,306	100,840
Cost of Sales	146,025	132,374	113,445	97,419	72,969	43,971
SG&A Expenses	62,316	53,193	40,378	39,554	30,745	19,620
EBITDA	137,313	126,013	89,183	59,665	46,591	37,249
EBITDA Margin	39.7%	40.4%	36.7%	30.3%	31.0%	36.9%
Depreciation & Amortization	41,767	40,406	27,884	22,955	20,742	16,284
Operating Income	95,546	85,607	61,299	36,710	25,849	20,966
Operating Margin	27.6%	27.5%	25.2%	18.7%	17.2%	20.8%
Comprehensive Financing (Cost) Income, net	(13,865)	(387)	(28)	(2,790)	2,158	2,176
Other (Loss) Income, net	(2,327)	(3,713)	484	(442)	99	(1,236)
Income before Taxes	79,354	81,506	61,755	33,478	28,106	21,906
Provisions for Income Tax	19,888	22,454	17,018	305	9,013	3,796
Income before Equity Participation in Results of Affiliates	59,466	59,052	44,736	33,173	19,093	18,110
Income (Loss) before Minority Interest	59,575	58,697	44,509	33,127	18,989	17,958
Minority Interest	(90)	(110)	(88)	(74)	(394)	(413)
Net Income (Loss)	59,486	58,588	44,422	33,053	18,595	17,545
BALANCE SHEET						
Cash & Cash Equivalents	22,092	11,972	45,102	14,420	21,351	12,041
Accounts Receivable, net	52,771	44,756	38,027	33,507	22,990	13,414
Other Current Assets	38,623	23,951	25,269	17,868	17,510	9,564
Current Assets	113,486	80,679	108,398	65,795	61,851	35,019
Property Plant and Equipment	209,897	167,084	143,090	120,734	94,718	83,502
Investments in Affiliates	790	590	581	524	727	2,991
Deferred Assets and other	111,283	100,768	76,256	62,118	59,949	54,882
Total Assets	435,455	349,121	328,325	249,171	217,246	176,393
Short Term Debt	26,731	19,953	26,214	22,176	12,828	15,791
Accounts Payable	90,867	72,892	60,830	58,465	40,704	23,246
Other Current Liabilities	30,197	23,214	33,032	18,391	14,004	9,021
Current Liabilities	147,796	116,058	120,076	99,031	67,536	48,058
Long Term Debt	116,755	84,799	89,038	68,346	76,740	54,144
Other Long term Liabilities	25,980	21,406	5,465	3,885	7,171	4,433
Total Liabilities	290,531	222,264	214,578	171,262	151,448	106,636
Total Stockholders' Equity	144,925	126,858	113,747	77,909	65,797	69,758
Sum of Total Stockholders' Equity and Total Liabilities	435,455	349,121	328,325	249,171	217,246	176,393

Consolidated Financial Statements

Years ended December 31, 2008 and 2007 with Report of Independent Registered Public Accounting Firm.

CONTENTS

Report of Independent Auditors

ERNST & YOUNG

Mancera, S.C.

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

We have audited the accompanying consolidated balance sheets of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2007 and 2008 and the related consolidated statements of income and changes in stockholders' equity for each of the three years in the period ended December 31, 2008, as well as the statements of changes in financial position for each of the two years in the period ended December 31, 2007 and a statement of cash flows for the year ended December 31, 2008. 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. The financial statements of the consolidated subsidiary TracFone Wireless, Inc., whose assets account for approximately 1% of the consolidated totals at December 31, 2007 and 2008 and whose operating revenues account for approximately 6%, 5% and 5% of the consolidated totals for the years ended December 31, 2006, 2007 and 2008, were audited by other independent auditors. Therefore, our opinion, insofar as it relates to the financial information of such subsidiary in the accompanying consolidated financial statements, is based solely on the report of the other independent auditors.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are prepared in conformity with Mexican Financial Reporting Standards. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the financial reporting standards used and significant estimates made by management, and evaluating the overall financial statement presentation (including the Company's conversion of the financial statements of TracFone Wireless, Inc. to Mexican Financial Reporting Standards. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

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

As mentioned in Note 2z.2) to the accompanying financial statements, as of January 1, 2008, the Company adopted the new Mexican Financial Reporting Standard B-10, Effects of Inflation, B-15, Foreign Currency Translation and B-2, Statements of Cash Flows, with the effects described in that note.

Mancera, S.C.
Ernst & Young Global

Agustín Aguilar Laurents

Mexico City
April 15, 2009

Consolidated Balance Sheets

(In thousands of Mexican pesos)

	December 31 2007	December 31 2008
ASSETS		
Current assets:		
Cash and cash equivalents	Ps. 11,972,119	**Ps. 22,092,139**
Investments in financial instruments (Note 4)	49,931	**–**
Accounts receivable, net (Note 5)	44,756,338	**52,770,676**
Derivative financial instruments (Note 11)	–	**3,125,214**
Related parties (Note 17)	1,334,610	**1,052,796**
Inventories, net (Note 6)	21,060,030	**31,805,142**
Other current assets, net (Note 7)	1,506,424	**2,639,912**
Total current assets	80,679,452	**113,485,879**
Plant, property and equipment, net (Note 8)	167,083,906	**209,896,820**
Licenses, net (Note 9)	36,564,304	**43,098,985**
Trademarks, net (Note 9)	5,601,154	**5,010,539**
Goodwill, net (Note 9)	44,724,872	**44,696,281**
Investments in affiliates and others (Note 10)	589,615	**789,612**
Deferred taxes (Note 19)	3,395,396	**9,296,367**
Other non-current assets, net (Note 7)	10,482,616	**9,180,987**
Total assets	Ps. 349,121,315	**Ps. 435,455,470**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt (Note 14)	Ps. 19,952,907	**Ps. 26,731,355**
Accounts payable and accrued liabilities (Note 13)	72,891,964	**90,867,401**
Taxes payable	9,250,714	**14,612,465**
Derivative financial instruments (Note 11)	316,594	**–**
Related parties (Note 17)	1,249,775	**922,254**
Deferred revenues	12,396,421	**14,662,631**
Total current liabilities	116,058,375	**147,796,106**
Long-term liabilities:		
Long-term debt (Note 14)	84,799,487	**116,755,093**
Deferred taxes (Note 19)	12,496,344	**14,621,075**
Employee benefits (Note 12)	8,909,339	**11,358,647**
Total liabilities	222,263,545	**299,530,921**
Shareholders' equity (Note 18):		
Capital stock	36,552,039	**36,532,481**
Retained earnings:		
From prior years	35,085,723	**29,261,187**
Current year	58,587,511	**59,485,502**
	93,673,234	**88,746,689**
Accumulated other comprehensive (loss) income items	(4,001,203)	**18,988,897**
Total majority shareholders' equity	126,224,070	**144,268,067**
Minority interest	633,700	**656,482**
Total shareholders' equity	126,857,770	**144,924,549**
Total liabilities and shareholders' equity	Ps. 349,121,315	**Ps. 435,455,470**

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

Consolidated Statements of Income

(In thousands of Mexican pesos, except for earnings per share and weighted-average number of shares outstanding)

	Year ended December 31		
	2006	2007	**2008**
Operating revenues:			
Services:			
Air time	Ps. 74,385,210	Ps. 87,522,245	**Ps. 99,258,566**
Interconnection	40,700,953	58,554,255	**60,371,865**
Monthly rent	40,683,385	59,551,717	**66,805,611**
Long-distance	16,465,433	20,348,067	**20,624,128**
Value added services and other services	30,495,814	40,359,659	**51,089,479**
Sales of handsets and accessories	40,274,070	45,243,819	**47,505,259**
	243,004,865	311,579,762	**345,654,908**
Operating costs and expenses:			
Cost of sales and services	113,444,561	132,373,998	**146,025,037**
Commercial, administrative and general expenses	40,642,325	53,605,408	**62,316,415**
Depreciation and amortization (Notes 8 and 9) (includes Ps. 20,266,970, Ps. 29,389,162 and Ps. 30,047,363 for the years ended December 31, 2006, 2007 and 2008, respectively, not included in cost of sales and services)	27,883,799	40,406,018	**41,767,309**
	181,970,685	226,385,424	**250,108,761**
Operating income	61,034,180	85,194,338	**95,546,147**
Other income (expenses), net	483,671	(3,712,874)	**(2,326,959)**
Comprehensive result of financing:			
Interest income	4,669,081	2,960,265	**2,414,390**
Accrued interest payable	(9,457,545)	(7,696,967)	**(8,950,562)**
Exchange gain (loss), net	2,321,238	2,463,442	**(13,686,423)**
Monetary gain, net	3,848,095	5,038,406	**–**
Other financing (cost) income, net	(1,408,889)	(3,152,631)	**6,357,722**
	(28,020)	(387,485)	**(13,864,873)**
Equity interest in net income of affiliates	37,778	57,621	**109,416**
Income before taxes on profits	61,527,609	81,151,600	**79,463,731**
Taxes on profits (Note 19)	17,018,144	22,454,267	**19,888,337**
Net income before minority interest	44,509,465	58,697,333	**59,575,394**
Minority interest	87,517	109,822	**89,892**
Net income	Ps. 44,421,948	Ps. 58,587,511	**Ps. 59,485,502**
Weighted average number of common shares outstanding (in millions)	35,459	35,149	**34,220**
Net earnings per share	Ps. 1.25	Ps. 1.67	**Ps. 1.74**

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

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended December 31, 2006, 2007 and 2008
(In thousands of Mexican pesos)

		Capital stock		Legal reserve
Balance at December 31, 2005 (Note 18)	Ps.	36,565,022	Ps.	482,925
Minority interest related to current year acquisitions				
Dividend paid at Ps. 0.06 per share (historical)				
Repurchase of shares	(	9,624)		
Comprehensive income:				
Net income for the period				
Other comprehensive income items:				
Effect of translation of foreign entities				
Result from holding non-monetary assets, net of deferred taxes				
Current-year valuation effect of swaps				
Current-year valuation effect of available-for-sale securities				
Comprehensive income for the year				
Balance at December 31, 2006 (Note 18)		36,555,398		482,925
Minority interest related to current year acquisitions				
Dividends paid at Ps. 020 and Ps. 1 per share (historical)				
Repurchase of shares	(	3,359)		
Comprehensive income:				
Net income for the period				
Other comprehensive income items:				
Effect of translation of foreign entities				
Result from holding non-monetary assets, net of deferred taxes				
Comprehensive income for the year				
Balance at December 31, 2007 (Note 18)	Ps.	36,552,039	Ps.	482,925
Effect of adopting Mexican FRS B-10, net of deferred taxes				
Dividend paid at Ps. 0.26 per share (historical)				
Repurchase of shares	**(**	**19,558)**		
Comprehensive income:				
Net income for the period				
Other comprehensive income items:				
Effect of translation of foreign entities				
Comprehensive income for the year				
Balance at December 31, 2008 (Note 18)	**Ps.**	**36,532,481**	**Ps.**	**482,925**

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

Retained earnings		Other accumulated comprehensive income items	Majority shareholders' equity	Minority interest	Comprehensive income	Total shareholders' equity
Unappropriated	Total					
Ps. 56,672,624	Ps. 57,155,549	Ps.(16,915,206)	Ps. 76,805,365	Ps. 1,103,566		Ps. 77,908,931
(1,426,031)	(1,426,031)		(1,426,031)	(435,454)		(1,861,485)
(2,289,219)	(2,289,219)		(2,289,219)			(2,289,219)
(7,789,304)	(7,789,304)		(7,798,928)			(7,798,928)
44,421,948	44,421,948		44,421,948	87,517	Ps. 44,509,465	44,509,465
		1,334,009	1,334,009	(60,703)	1,273,306	1,273,306
		1,591,201	1,591,201	(10,789)	1,580,412	1,580,412
		53,138	53,138		53,138	53,138
		371,183	371,183		371,183	371,183
					Ps. 47,787,504	
89,590,018	90,072,943	(13,565,675)	113,062,666	684,137		113,746,803
(6,604)	(6,604)		(6,604)	(13,187)		(19,791)
(42,127,537)	(42,127,537)		(42,127,537)			(42,127,537)
(12,853,079)	(12,853,079)		(12,856,438)			(12,856,438)
58,587,511	58,587,511		58,587,511	109,822	Ps. 58,697,333	58,697,333
		10,143,715	10,143,715	(141,953)	10,001,762	10,001,762
		(579,243)	(579,243)	(5,119)	(584,362)	(584,362)
					Ps. 68,114,733	
Ps. 93,190,309	Ps. 93,673,234	Ps.(4,001,203)	Ps. 126,224,070	Ps. 633,700		Ps. 126,857,770
(13,771,039)	**(13,771,039)**	**13,771,039**				
(8,904,997)	**(8,904,997)**		**(8,904,997)**			**(8,904,997)**
(41,736,011)	**(41,736,011)**		**(41,755,569)**			**(41,755,569)**
59,485,502	**59,485,502**		**59,485,502**	**89,892**	**Ps. 59,575,394**	**59,575,394**
		9,219,061	**9,219,061**	**(67,110)**	**9,151,951**	**9,151,951**
					Ps. 68,727,345	
Ps. 88,263,764	**Ps. 88,746,689**	**Ps. 18,988,897**	**Ps. 144,268,067**	**Ps. 656,482**		**Ps. 144,924,549**

Consolidated Statements of Changes in Financial Position

(In thousands of Mexican pesos)

	Year ended December 31 2006	Year ended December 31 2007
Operating activities		
Net income before minority interest	Ps. 44,509,465	Ps. 58,697,333
Add (deduct) items not requiring the use of resources:		
Depreciation	20,376,577	32,296,875
Amortization	5,976,846	6,536,746
Amortization of loss on sale and leaseback	1,530,376	1,572,397
Deferred income tax and deferred employee profit sharing	50,090	4,659,365
Other income, net	(1,327,293)	
Loss on marketable securities	1,375,713	1,384,418
Equity interest in net income of affiliates	(37,778)	(57,621)
Net cost of labor obligations	3,323	456,095
	72,457,319	105,545,608
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(8,919,954)	(4,265,886)
Inventories	(6,086,062)	(896,364)
Other assets	(2,782,085)	191,007
(Decrease) increase in:		
Accounts payable and accrued liabilities	4,145,927	10,136,210
Related parties	1,294,328	(991,389)
Financial instruments	(944,318)	(740,769)
Deferred revenues and credits	2,191,527	36,809
Taxes payable	15,904,307	(8,800,706)
Marketable securities	(1,524,506)	1,499,381
Resources provided by operating activities	75,736,483	101,713,901
Financing activities		
New loans	66,796,720	33,287,331
Repayment of loans	(38,975,741)	(46,008,892)
Effect of exchange rate differences and variances in debt expressed in constant pesos	(3,091,374)	(4,161,387)
Decrease in capital stock and retained earnings due to purchase of Company's own shares	(7,798,928)	(12,856,438)
Dividend declared	(2,289,219)	(42,127,537)
Resources provided by (used in) financing activities	14,641,458	(71,866,923)
Investing activities		
Investment in plant, property and equipment	(48,106,532)	(39,989,017)
Investment in subsidiaries and affiliates	(15,002,133)	42,130
Instruments available for sale		(789,100)
Minority interest	(506,945)	(160,259)
Acquisitions, net of cash acquired	4,249,986	(19,464,035)
Investments in trademarks	(214,203)	26,811
Investment in licenses	(636,033)	(499,145)
Resources used in investing activities	(60,215,860)	(60,832,615)
Net increase (decrease) in cash and cash equivalents	30,162,081	(30,985,637)
Cash and cash equivalents at beginning of year	12,795,675	42,957,756
Cash and cash equivalents at end of year	Ps. 42,957,756	Ps. 11,972,119

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

Consolidated Statement of Cash Flows

(In thousands of Mexican pesos)

	Year ended December 31 2008
Operating activities	
Income before taxes	Ps. 79,463,731
Items not requiring the use of cash:	
Depreciation	**32,677,429**
Amortization of intangible assets	**7,471,679**
Amortization of loss on sale and leaseback	**1,618,201**
Impairment in the value of long-lived assets	**739,853**
Equity interest in net income of affiliates	**(109,416)**
Loss on sale of fixed assets	**141,278**
Net period cost of labor obligations	**734,636**
Exchange loss, net	**11,979,839**
Accrued interest receivable	**(2,241,926)**
Accrued interest payable	**8,950,562**
Other financing expenses, net	**(2,605,594)**
Cost of sale of financial instruments	**(46,014)**
Changes in operating assets and liabilities:	
Financial instruments	**65,800**
Accounts receivable	**(5,299,903)**
Interest collected	**2,241,926**
Prepaid expenses	**(888,241)**
Related parties	**(14,719)**
Inventories	**(9,361,512)**
Other assets	**(143,908)**
Accounts payable and accrued liabilities	**16,301,746**
Taxes paid	**(21,702,646)**
Employee profit sharing paid	**(672,457)**
Financial instruments	**(2,156,946)**
Deferred revenues	**1,001,969**
Labor obligations	**(491,359)**
Net cash flow provided by operating activities	**117,654,008**
Investing activities	
Acquisition of plant, property and equipment	**(57,133,957)**
Acquisition of licenses	**(13,736,502)**
Permanent acquisitions and others	**75,538**
Business acquisitions, net of cash	**(479,090)**
Net cash flow used in investing activities	**(71,274,011)**
Net cash flow to be obtained from financing activities	**46,379,997**
Financing activities	
Loans obtained	**61,810,010**
Repayment of loans	**(41,487,985)**
Interest expense	**(8,105,142)**
Repurchase of shares	**(41,632,608)**
Payment of dividends	**(8,815,570)**
Net cash flow used in financing activities	**(38,231,295)**
Adjustment to cash flow for exchange rate differences	**1,971,318**
Net increase in cash and cash equivalents	**10,120,020**
Cash and cash equivalents at beginning of the period	**11,972,119**
Cash and cash equivalents at end of the period	**Ps. 22,092,139**

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

Notes to Consolidated Financial Statements

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

1 Description of Business

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

América Móvil has authorization, licenses, permits and concessions (hereinafter collectively referred to as "licenses") to build, install, operate and use both public and private telecommunications networks and provide telecommunication services (mostly mobile and fixed-line telephony) in the countries in which the Company has presence (except for in the U.S.). These licenses will expire on various dates between the years 2008 and 2046.

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

Merger

At an extraordinary meeting held on December 13, 2006, the stockholders agreed to merge América Telecom, S.A.B. de C.V. ("AMTEL") and Corporativo Empresarial, S.A. de C.V. ("Corporativo") into América Móvil (see Note 3 for additional information).

Before the merger, AMTEL held a 66.66% equity interest in América Móvil's voting shares and 40.74% of the Company's total shares.

Equity investments in subsidiaries and affiliated companies

At December 31, 2007 and 2008, América Móvil's equity interest in its principal subsidiaries and affiliated companies is as follows:

Company	Country	% equity interest at December 31 2007	2008
Subsidiaries:			
AMX Tenedora, S.A. de C.V.	Mexico	100.0%	**100.0%**
AMOV Canadá, S.A.	Mexico	100.0%	**100.0%**
Compañía Dominicana de Teléfonos, C. por A. (Codetel)	Dominican Republic	100.0%	**100.0%**
Sercotel, S.A. de C.V.	Mexico	100.0%	**100.0%**
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries (Telcel)	Mexico	100.0%	**100.0%**
Telecomunicaciones de Puerto Rico, Inc. [1]	Puerto Rico	100.0%	**100.0%**
Puerto Rico Telephone Company, Inc.	Puerto Rico	100.0%	**100.0%**
PRT Larga Distancia, Inc.	Puerto Rico	100.0%	**100.0%**
Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras)	Honduras	100.0%	**100.0%**
AMX USA Holding, S.A. de C.V.	Mexico	100.0%	**100.0%**
TracFone Wireless, Inc. (Delaware)	U.S.A.	98.2%	**98.2%**
AM Telecom Américas, S.A de C.V.	Mexico	100.0%	**100.0%**
Claro Telecom Participacoes, S.A.	Brazil	100.0%	**100.0%**
Americel, S.A.	Brazil	99.3%	**99.3%**
Claro, S.A. (formerly BCP, S.A.)	Brazil	99.9%	**99.9%**
América Central Tel, S.A. de C.V. (ACT)	Mexico	100.0%	**100.0%**
Telecomunicaciones de Guatemala, S.A. (Telgua)	Guatemala	99.2%	**99.2%**
Empresa Nicaragüense de Telecomunicaciones, S.A. (Enitel)	Nicaragua	99.5%	**99.5%**
Estesa Holding Corp. [1]	Panama	–	**100.0%**
Cablenet, S.A. [1]	Nicaragua	–	**100.0%**
Estaciones Terrenas de Satélite, S.A. (Estesa) [1]	Nicaragua	–	**100.0%**
AMX El Salvador, S.A de C.V.	Mexico	100.0%	**100.0%**
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (CTE)	El Salvador	95.8%	**95.8%**
CTE Telecom Personal, S.A. de C.V. (Personal)	El Salvador	95.8%	**95.8%**
Cablenet, S.A. (Cablenet)	Guatemala	95.8%	**95.8%**
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	95.8%	**95.8%**
Telecom Publicar Directorios, S.A. de C.V. (Publicom)	El Salvador	48.8%	**48.8%**

Company	Country	% equity interest at December 31 2007	2008
Comunicación Celular, S.A. (Comcel)	Colombia	99.4%	**99.4%**
AMX Santa Lucía, Inc. (1) (2)	Santa Lucia	100.0%	**99.4%**
Oceanic Digital Jamaica, Ltd. (1) (2)	Jamaica	100.0%	**99.4%**
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0%	**100.0%**
AMX Argentina Holdings, S.A.	Argentina	100.0%	**100.0%**
AMX Argentina, S.A. (3)	Argentina	100.0%	**100.0%**
AMX Wellington Gardens, S.A. de C.V. (3)	Mexico	100.0%	**100.0%**
Widcombe, S.A. de C.V. (3)	Mexico	100.0%	**100.0%**
AMX Paraguay, S.A. (3)	Paraguay	100.0%	**100.0%**
AM Wireless Uruguay, S.A.	Uruguay	100.0%	**100.0%**
Claro Chile, S.A.	Chile	100.0%	**100.0%**
América Móvil Perú, S.A.C.	Peru	100.0%	**100.0%**
Claro Panamá, S.A.	Panama	–	**100.0%**
Affiliated companies:			
Grupo Telvista, S.A. de C.V.	Mexico	45.0%	**45.0%**

(1) Companies acquired in 2007 and 2008 (see Note 10).

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

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

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

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

On April 20, 2009, América Móvil's General Director, Legal Director and Finance Director authorized the issuance of the accompanying consolidated financial statements and these notes at December 31, 2006, 2007 and 2008.

2 Summary of Significant Accounting Policies and Practices

The principal accounting policies and practices followed by the Company in the preparation of these consolidated financial statements, in conformity with Mexican Financial Reporting Standards, are described below:

a) Consolidation and basis of translation of financial statements of foreign subsidiaries
i) Consolidation and equity method
The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those of the subsidiaries over which the Company exercises significant control. The financial statements of the subsidiaries have been prepared for the same accounting period and following the same accounting principals as those of the Company. All the companies operate in the telecommunications sector or provide services to companies operating in this sector.

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

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

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

ii) Basis of translation of financial statements of foreign subsidiaries
The financial statements of foreign subsidiaries and affiliates, which in the aggregate account for approximately 54%, 59% and 61% of the Company's total operating revenues for 2006, 2007 and 2008, respectively, and approximately 75% of the Company's total assets at December 31, 2007 and 2008, are either consolidated or accounted for based on the equity method, as the case may be, after their financial statements have first been adjusted to conform to Mexican Financial Reporting Standards in the corresponding local currency and have then been translated to the reporting currency.

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

As of 2008, the financial statements as reported by the foreign subsidiaries and affiliates are converted to conform to Mexican Financial Reporting Standards in the local currency, and subsequently translated into the reporting currency. Since none of the Company's subsidiaries or affiliates operates in an inflationary environment, the financial statements prepared under Mexican Financial Reporting Standards reported by the subsidiaries and affiliates abroad in the local currency are translated as follows:

i) all monetary assets and liabilities are translated at the prevailing exchange rate at year-end;

ii) all non-monetary assets and liabilities are translated at the prevailing exchange rate at the time of the related transactions;

iii) shareholders' equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated;

iv) revenues, costs and expenses are translated using the average exchange rate and the effects of non-monetary assets and liabilities on results of operations are translated using the average exchange rate;

v) translation differences are recorded in shareholders' equity in the line item Effect of translation of foreign entities under Other accumulated comprehensive income items; and

vi) the statement of cash flows was translated using the weighted average exchange rate and the difference is presented in the statement of cash flows under the caption Adjustment to cash flow for exchange rate differences.

Through December 31, 2007, the financial statements as reported by the foreign subsidiaries were converted to conform to Mexican Financial Reporting Standards in the local currency, and subsequently restated to constant values based on the inflation rate of the country in which the subsidiary operates.

Once the financial information of foreign subsidiaries and affiliates was expressed in each country's currency in constant values as of December 31, 2007, the financial statements were translated into Mexican pesos as follows:

i) all assets and liabilities are translated at the prevailing exchange rate at year-end;

ii) shareholders equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated;

iii) income statement amounts are translated at the prevailing exchange rate at the end of the year being reported on;

iv) exchange rate variances and effect of intercompany monetary items are recorded in the consolidated statements of income; and

v) translation differences are recorded in shareholders' equity in the line item Effect of translation of foreign entities under Other accumulated comprehensive income items.

Exchange rate variances and, through December 31, 2007, the effect of intercompany monetary items, are recorded in the consolidated statements of income.

Translation differences resulting from the conversion process are recorded in shareholder' equity in the caption "Effect of translation of foreign entities" under "Other comprehensive income items". At December 31, 2006, 2007 and 2008, the gain on translation was Ps. 1,273,306, Ps. 10,001,762 and Ps. 12,044,547, respectively

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

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

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

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

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

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

Value added services and other services include voice services and data transmission services (such as two-way and written messages, call information, ring tones, emergency services, among others). Revenues from such services are recognized at the time they are provided or when the downloaded service is used. These revenues are recognized on a gross basis, without deducting the related costs, since it is considered that the Company, as the primary agent, assumes all risks and benefits.

Sales of handsets and accessories, which for the most part are made to authorized distributors, are recorded as revenue when the products are delivered and accepted by the distributor. Such sales are return-free and the probability of their collection is reasonably assured.

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

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

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

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

Cellular equipment and accessories inventories are valued at their cost of acquisition using the average-cost method.

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

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

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 commissions are paid to distributors for customers that remain so for a specified period of time, and sales volume commissions are paid at the time the distributor reaches certain ranges of activated customers.

f) Recognition of the effects of inflation

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

However, even though the economic environment in 2007 qualified as being non-inflationary, Mexican accounting Bulletin B-10, *Accounting Recognition of the Effects of Inflation on Financial Information*, was still effective. Accordingly, the financial statements for the year ended December 2006 and 2007 are presented in Mexican pesos with purchasing power at December 31, 2007, while the 2008 financial statements are expressed in nominal pesos, except for those non-monetary items that include inflation effects at December 31, 2007 and current pesos in 2008 due to the movements during the year.

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

Through December 31, 2007, the deficit from restatement of shareholders' equity consists of the accumulated monetary position gain at the time the provisions of Bulletin B-10 were first applied, which was Ps. 19,237, and of the result from holding non-monetary assets, which represents the difference between restatement by the specific indexation method and restatement based on the NCPI. At December 31, 2007, the Ps. 14,562,294 balance of this item is included in shareholders equity under the "Accumulated other comprehensive income items" caption. In conformity with Mexican FRS B-10, since it was unpractical to identify the result from holding non-monetary assets with the items giving rise to them, the cumulative result from holding non-monetary assets, together with the initial effect from the adoption of Bulletin B-10, was reclassified to retained earnings.

The net monetary position gain shown in the 2006 and 2007 income statement represents the effect of inflation on monetary assets and liabilities and is included as part of the caption Comprehensive result of financing.

g) Cash and cash equivalents

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

h) Investments in financial instruments

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

Should there be objective and lasting evidence of impairment in the value of either its instruments available-for-sale or held to maturity, the Company determines the amount of the related loss and recognizes such loss as part of the comprehensive financing income (cost). For the years ended at December 31, 2006 and 2007, since the loss on fair value of securities available-for-sale was constant, the Company decided to include an impairment loss of Ps. 1,375,713 and Ps. 1,362,900, respectively, in the statements of income.

During the years ended December 31, 2007 and 2008, there were no transfers between financial asset categories.

i) Allowance for doubtful accounts

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

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

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

j) Inventories

Cellular equipment inventories are initially recognized at historical acquisition cost, as valued using the average-cost method and through December 31, 2007, inventories were restated to constant Mexican pesos (considering inventory turnover). The stated value of inventories is not in excess of net realizable value.

k) Business acquisitions and goodwill

Business and entity acquisitions are recorded using the purchase method. The acquisition of minority interest is considered a transaction between entities under common control and any difference between the purchase price and the book value of net assets acquired is recognized as an equity transaction.

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

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

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

At December 31, 2008, the Company recognized a loss of Ps. 527,770 from impairment in the value of goodwill shown in the consolidated balance sheet. Such loss was included in the statement of income as part of the caption Other income, net.

At December 31, 2006 and 2007, the Company recognized no loss from impairment in the value of goodwill shown in the consolidated balance sheet.

l) Telephone plant, property and equipment

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

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

Annual depreciation rates are as follows:

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

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

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

At December 31, 2006, there was no need for goodwill write-downs due to impairment.

During the year ended December 31, 2007, the Company wrote-off the remaining carrying value of its telephone plant that utilizes TDMA technology in Colombia and Ecuador. This write-down was made after considering both technological obsolescence of TDMA in those specific geographies and also other economic and operational considerations. The write-off amounted to Ps. 2,735,000 and has been included as a component of the caption Other expenses, net in the accompanying 2007 consolidated statement of income. The Company also began to accelerate TDMA depreciation in Brazil (see Note 8).

At December 31, 2008, the Company recognized a loss of Ps. 113,422 from impairment in the value of the telephone plant shown in the consolidated balance sheet. Such loss was included in the statement of operations as part of the caption Other income (expenses), net.

m) Licenses and trademarks

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

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

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

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

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

At December 31, 2006 and 2007, the Company recorded no loss from impairment in the value of intangibles shown in the consolidated balance sheet.

At December 31, 2008, the Company recognized a loss of Ps. 98,661 from impairment in the value of licenses shown in the consolidated balance sheet. Such loss was included in the statement of income as part of the caption Other income (expenses), net.

n) Leases

- Sale and leaseback

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

- Operating leases

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

- Financial leases

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

o) Exchange differences

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

See Note 15 for the Company's consolidated foreign currency position at the end of each year and the exchange rates used to translate foreign currency denominated balances.

p) Accounts payable and accrued liabilities

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

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

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

q) Employee benefits

In the subsidiaries of certain countries in which the Company operates, as is the case of the subsidiaries in Mexico (Radiomóvil Dipsa, S.A. de C.V.) and in Puerto Rico (Telecomunicaciones de Puerto Rico, S.A.), there are defined contribution plans. In Ecuador, the Company has an individual capitalization pension plan, whereby it purchases a single-premium deferred annuity from an insurance company, for which the Company only makes a yearly premium payment. These plans require the valuation and recognition of the accumulated effects of retirement and post-retirement labor obligations. Such effects are determined based on actuarial studies performed by independent experts using the projected unit-credit method.

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

The Company recognizes annually the cost for pension benefits, seniority premiums and termination payments based on independent actuarial computations applying the projected unit-credit method, using financial hypotheses net of inflation. The latest actuarial computation date was prepared as of November 2008.

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

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

Effective January 1, 2008, the Company adopted Mexican FRS D-3, Employee Benefits, which replaced Mexican accounting Bulletin D-3, Labor Obligations. As a result of the adoption of Mexican FRS D-3, the Company's transition liability for labor obligations is being amortized over a term of five years, while at December 31, 2007 the transition liability was amortized using the straight-line method over the remaining service period of the covered employees.

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

r) Employee profit sharing

Current-year and deferred employee profit sharing is presented as an ordinary expense in the income statement rather than as part of taxes on profits.

The Company has not recognized deferred employee profit sharing as required by Mexican FRS D-3, since the related amount is not deemed to be material for the consolidated financial statements as a whole.

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

s) Taxes on profits

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

Beginning January 1, 2008, deferred taxes on profits are recognized using the asset and liability method established in Mexican FRS D-4, Taxes on Profits. Under this method, deferred taxes on profits are recognized on all temporary differences between the financial reporting and tax bases of assets and liabilities, applying the enacted income tax rate or the flat-rate business tax rate, as the case may be, effective as of the balance sheet date, or the enacted rate at the balance sheet date that will be in effect when the temporary differences giving rise to deferred tax assets and liabilities are expected to be recovered or settled.

Through December 31, 2007, the method mentioned in the preceding paragraph was applied only to temporary differences between the values of all assets and liabilities for financial and tax reporting purposes.

For the years ended December 31, 2008 and 2007, the Company periodically evaluates the possibility of recovering deferred tax assets and if necessary, creates a valuation allowance for those assets that are not more likely than not to be realized.

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

t) Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2006, 2007 and 2008, advertising expenses aggregated Ps. 5,408,146, Ps. 7,175,663 and Ps. 8,520,506, respectively.

u) Comprehensive income

Comprehensive income consists of the net income for the year plus the following items that are reflected directly in shareholders' equity: the effect of translation of financial statements of foreign entities, changes in minority interest, the effect of current year deferred taxes, and other items different from net income. At December 31, 2007 and 2008, an analysis of accumulated other comprehensive income items (different from net income) is as follows:

		2007		2008
Net monetary position gain upon adoption of B-10	Ps.	19,327		
Effect of translation of foreign entities, net of deferred taxes		9,769,836		**21,814,383**
Result from holding non-monetary assets		(14,562,294)		
Deferred taxes		771,928		**(2,825,486)**
	Ps.	(4,001,203)	**Ps.**	**18,988,897**

v) 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. In determining the average weighted number of shares issued and outstanding, shares acquired by repurchase have been excluded. As a result of the merger mentioned in Note 3, all information relative to shares and earnings per share has been retroactively adjusted to recognize the net cancellation of shares mentioned in the note.

w) Use of estimates

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

x) Concentration of risk

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

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

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

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

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

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

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

The Company relies on several key suppliers. Accordingly, approximately 34%, 21% and 32% of the Company's aggregate interconnection expenditures for the years ended December 31, 2006, 2007 and 2008, respectively, represented services rendered by one supplier; approximately 63%, 75%, and 70%, respectively, of the aggregate cost of cellular telephone equipment for such periods represented purchases from three suppliers; and approximately 81%, 58% and 54%, respectively, of telephone plant purchases were made from two suppliers. If any of these suppliers fails to provide the Company with services or equipment on a timely and cost effective basis, the Company's business and results of operations could be adversely affected.

y) Derivative financial instruments

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

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

z) Statement of income presentation

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

The "Operating income" caption is shown in the income statement since it is an important indicator used for evaluating the Company's operating results. Operating income consists of ordinary revenues and operating costs and expenses and thus excludes other ordinary income (expenses). This presentation is comparable to the one used in the financial statements at and for the years ended December 31, 2006 and 2007.

z.1) Operating segments

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

z.2) New accounting pronouncements in force as of 2008

Mexican FRS B-2, *Statement of Cash Flows*

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

The statement of cash flows for the year ended December 31, 2008 was prepared using the indirect method. The statement of cash flows is not comparable to the statement of changes in financial position for the years ended December 31, 2007 and 2006.

Mexican FRS B-10, *Effects of Inflation*

Mexican FRS B-10 superseded Mexican accounting Bulletin B-10, *Accounting Recognition for the Effects of Inflation on Financial Information*. Mexican FRS B-10 defines the two economic environments that will be the basis on which to determine whether or not entities must recognize the effects of inflation on their financial information: i) inflationary, when cumulative inflation in the preceding three fiscal years is equal to or greater than 26%; and ii) non-inflationary, when cumulative inflation for the preceding three fiscal years is less than the aforementioned 26%. This standard requires that the effects of inflation on financial information must be recognized only when entities operate in an inflationary environment. Mexican FRS B-10 abolishes the use of the specific-indexation method for the valuation of imported fixed assets and the replacement-cost method for the valuation of inventories. Consequently, the result from holding non-monetary assets included in the excess (deficit) from the restatement of shareholders' equity must be identified with the assets giving rise to them. When it is not possible to identify such assets, the cumulative result from holding non-monetary assets, together with the initial effect from the adoption of Bulletin B-10, is reclassified to retained earnings. The effect of the reclassification of the result from holding non-monetary assets as a result of the adoption of this new standard is disclosed in Note 2 paragraph f).

Mexican FRS B-15, *Foreign Currency Translation,* and Interpretation of Mexican FRS 15, *Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations*

Mexican FRS B-15 replaced the previous Mexican accounting Bulletin B-15, *Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations*, incorporating the concepts of recording currency, functional currency and reporting currency, and eliminates the concepts of integrated foreign operations and foreign entity established in Mexican accounting Bulletin B-15. This standard also establishes new procedures for translating financial information of a company's foreign operations from its recording currency to its functional currency, and from the functional currency to the reporting currency.

As emphasized by Interpretation of Mexican FRS 15, this FRS establishes that the financial statements of Mexican companies are to be presented in their functional currency, but also provides the possibility of presenting financial statements that are prepared exclusively for legal or tax purposes to be presented in Mexican pesos rather than in the functional currency, without requiring them to be translated from the recording currency to the reporting currency.

Mexican FRS D-3, *Employee Benefits*

Mexican FRS D-3, *Employee Benefits*, replaced Mexican accounting Bulleting D-3, *Labor Obligations*. The most significant changes contained in Mexican FRS D-3 are as follows: i) shorter periods for the amortization of unamortized items, with the option to credit or charge actuarial gains or losses directly to results of operations, as they are incurred; ii) elimination of the recognition of the additional minimum pension liability and resulting recognition of an other intangible asset and comprehensive income item.

The scope of this standard includes the accounting treatment of employee profit sharing and requires the use of the asset and liability method in the computation of deferred taxes on profits to determine the deferred employee profit sharing asset or liability, as well as its effect on results of operations. This standard also establishes that the initial effect of recognizing deferred employee profit sharing is to be presented as an adjustment to retained earnings, unless it is related to other comprehensive income items not yet reclassified to income. Current-year and deferred employee profit sharing are recognized as an ordinary expense in the statement of income.

The application of this standard is prospective; therefore, the financial statements from prior years have not been restated.

Mexican FRS D-4, *Taxes on Profits*

This standard replaced Mexican accounting Bulletin D-4, *Accounting for Income Tax, Asset Tax and Employee Profit Sharing*, and eliminates the concept of permanent differences, since the asset and liability method established in this FRS requires the recognition of deferred taxes on all differences in balance sheet accounts for financial and tax reporting purposes, regardless of whether they are permanent or temporary. Under this standard, the cumulative effect of adopting the previous Mexican accounting Bulletin D-4 is to be reclassified to retained earnings unless it is identified with other comprehensive income items in shareholders' equity not yet reclassified to income.

The application of FRS D-4 is prospective and so the financial statements of prior years presented for comparative purposes have not been reclassified.

Following is a discussion of the new accounting pronouncements that became effective on January 1, 2009, and that could affect the Company's accounting policies:

Mexican FRS B-7, *Business Combinations*

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

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

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

Mexican FRS B-7 also establishes standards for the recognition of reacquired intangible assets, contingent liabilities, contingent consideration and termination payment assets resulting from business combinations. The standard also eliminates the recognition of taxes on profits.

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

Mexican FRS B-8, *Consolidated and Combined Financial Statements*

In November 2008, the CINIF issued Mexican FRS B-8, which is effective for fiscal years beginning on or after January 1, 2009. Mexican FRS B-8 replaces Mexican accounting Bulletin B-8, *Consolidated and Combined Financial Statements and the Valuation of Long-Term Equity Investments*. Mexican FRS B-8 establishes the overall guidelines for preparing and presenting consolidated or combined financial statements, and transfers the guidance related to accounting for long-term equity investments to Mexican FRS C-7.

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

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

b) In a change towards international accounting standards, this standard establishes that to determine the existence of control, the Company must consider any potential voting rights held that might be exercised or converted, regardless of management's actual intention and financial capacity to exercise such rights.

c) Also, unlike Bulletin B-8, this standard requires the financial statements of the consolidating entities to be prepared under the same Mexican FRS, eliminating the possibility to consolidate those entities that do not issue financial statements under Mexican FRS due to an obligation to present their financial statements under specific accounting standards.

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

e) Mexican FRS B-8 establishes that changes in equity interest that do not cause loss of control must be recognized as transactions between shareholders; therefore, any difference between the book value of the equity investment sold or acquired and the value of the consideration paid must be recognized in shareholders' equity.

f) As in Mexican FRS B-7, this standard establishes that the recognition of push-down adjustments must not be recognized in the financial statements of the subsidiary.

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

In November 2008, the CINIF issued Mexican FRS C-7, which becomes effective for fiscal years beginning on or after January 1, 2009. The purpose of this standard is to establish guidelines for the accounting recognition of investments in associated companies, as well as for the recognition of any other permanent investments through which the reporting entity does not have control or joint control or exercise significant influence.

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

a) Unlike Mexican accounting Bulletin B-8, this standard establishes that there is significant influence when an entity holds 10% or more of the voting shares in an entity that is listed on a stock exchange, or when it holds 25% or more of the voting shares in an entity not listed on a stock exchange. Mexican FRS C-7 also provides the guidelines for determining the existence of significant influence in the case of special purpose entities (SPE).

b) In identifying the existence of significant influence, both Mexican FRS B-8 and this standard require consideration of any potential voting rights held by the entity that might be exercised or converted, regardless of management's actual intention and financial capacity to exercise such rights.

Investments in associated companies or an equity interest in a SPE over which the reporting entity exercises significant influence must be initially recognized at fair value and subsequently by applying the equity method. To apply the equity method, unlike Mexican accounting Bulletin B-8, the financial statements of the affiliated company must be prepared in conformity with Mexican Financial Reporting Standards.

c) This standard also establishes the guidelines for the recognition of losses incurred by affiliated companies, since Mexican accounting Bulletin B-8 did not address this issue.

d) Lastly, this standard establishes that the investment in the affiliated company must be tested for impairment when indications of impairment exists and modifies Mexican accounting Bulletin C-15, *Impairment in the Value of Long-lived Assets*, by establishing that the impairment of investments in affiliated companies must be presented as part of the caption Equity income of unconsolidated subsidiaries and affiliates.

Mexican FRS C-8, *Intangible Assets*

Mexican FRS C-8 will replace Mexican accounting Bulletin C-8, *Intangible Assets* and will become effective for fiscal years beginning on or after January 1, 2009.

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

Finally, Mexican FRS C-8 establishes the accounting treatment for disposals of intangible assets resulting from sale, abandonment or exchange.

zz.1) Reclassifications

Certain captions shown in the 2006 and 2007 financial statements as originally issued have been reclassified for uniformity of presentation with the 2008 financial statements:

		As originally issued 2007		Reclassification		As reclassified 2007
Assets						
Other current assets, net [1]	Ps.	3,153,785	Ps.	(1,647,361)	Ps.	1,506,424
Other non-current assets, net [1]		8,835,255		1,647,361		10,482,616
Statement of income						
Depreciation [2]		40,818,281		(412,263)		40,406,018
Commercial, administrative and general expenses [2]		53,193,145		412,263		53,605,408
Depreciation [3]		28,148,569		(264,770)		27,883,799
Commercial, administrative and general expenses [3]		40,377,555		264,770		40,642,325

(1) Reclassification of leaseback sale

(2) Reclassification of amortization of prepaid expenses 2007

(3) Reclassification of amortization of prepaid expenses 2006

3 Merger

At an extraordinary meeting held on December 13, 2006, the shareholders agreed to merge AméricaTelecom, S.A.B. de C.V. ("AMTEL") and Corporativo Empresarial, S.A. de C.V. ("Corporativo") (disappearing companies) into América Móvil (surviving company).

Prior to the merger, the principal business strategy of AMTEL and Corporativo was to hold equity interest in América Móvil.

Derived from the merger, (i) the shareholders of AMTEL received 4.07128 shares of América Móvil for each of their shares (prior to the merger, AMTEL held 14,630,000,000 shares of América Móvil); (ii) América Móvil cancelled, on a net basis, 603,143,698 Series "L" shares (658 and 772 million shares in 2004 and 2005, respectively) and issued 14,026,856,302 shares of the corresponding series.

The shareholders of AMTEL, at their request and subject to not exceeding the limits corresponding to each series of shares and to the holding restrictions contained in América Móvil's bylaws, received shares of América Móvil on a proportional basis (see Note 18).

4 Investments in Financial Instruments

An analysis of the Company's investments in financial instruments at December 31, 2007 and 2008 is as follows:

		2007 Cost		2007 Fair value
Shares	Ps.	52,372	Ps.	49,931

a) At December 31, 2006 and 2007, the net unrealized gain (loss) on for-trading securities was Ps. 520,189 and Ps. (2,441), respectively. The net realized gain was Ps. 15,214, Ps. 29,604 and Ps. 19,786 for the years ended December 31, 2006, 2007 and 2008, respectively. All such valuation results are recognized in results of operations.

b) As a result of the loss in the market value of the securities of the issuer U.S. Commercial (USCO), in 2006 and 2007, the Company recorded a loss of Ps. 1,375,713 and Ps. 1,362,900, respectively, in its results of operations under the other financing costs, net caption. In December 2007, USCO's shares were ceded at cost as a result of the most recent quote made in November to the Carso Foundation (related party) as a donation.

5 Accounts Receivable

a) An analysis of accounts receivable is as follows:

		December 31		
		2007		2008
Mobile and fixed phone subscribers	Ps.	22,724,331	**Ps.**	**24,815,416**
Distributors and chain stores		11,341,424		**10,233,726**
Cellular operators for network interconnections and other connections including interconnection under the "Calling Party Pays" program		7,961,177		**9,713,659**
Recoverable taxes		6,656,109		**9,967,980**
Sundry debtors and others		2,117,730		**3,465,030**
		50,800,771		**58,195,811**
Less: Allowance for doubtful accounts of customers and distributors		(6,044,433)		**(5,425,135)**
Net	Ps.	44,756,338	**Ps.**	**52,770,676**

b) An analysis of activity in the allowance for doubtful accounts for the years ended December 31, 2006, 2007 and 2008 is as follows:

		2006		2007		2008
Balance at the beginning of the period	Ps.	(4,042,952)	Ps.	(4,324,981)	**Ps.**	**(6,044,433)**
Increase through charge to expenses		(2,908,572)		(4,642,250)		**(5,676,033)**
Applications to the allowance		2,626,543		2,922,798		**6,295,331**
Balance at the end of the period	Ps.	(4,324,981)	Ps.	(6,044,433)	**Ps.**	**(5,425,135)**

c) In 2006, Enitel sold, without recourse, its fully reserved bad debt portfolio to unrelated parties for Ps. 1,749 (USD 155).

In December 2008, Amx Argentina (subsidiary) also sold, without recourse, its bad debt portfolio to unrelated parties for Ps. 1,800,594 (USD 133,000).

6 Inventories

An analysis of inventories at December 31, 2007 and 2008 is as follows:

		December 31		
		2007		2008
Cellular telephones, accessories, cards and others	Ps.	22,193,767	**Ps.**	**33,035,047**
Less:				
Reserve for obsolete and slow-moving inventories		(1,133,737)		**(1,229,905)**
Total	Ps.	21,060,030	**Ps.**	**31,805,142**

7 Other Assets

a) An analysis of this caption at December 31, 2007 and 2008 is as follows:

		December 31		
		2007		2008
Current assets:				
Advances to suppliers (including advertising, insurance and maintenance)		1,345,239		**2,353,677**
Other		161,185		**286,235**
	Ps.	1,506,424	**Ps.**	**2,639,912**
Non-current assets:				
Long-term taxes	Ps.	1,189,069	**Ps.**	**1,082,370**
Sale and leaseback of the telephone plant		6,512,669		**5,706,564**
Advances to related parties for use of fiber optic		1,029,529		**748,701**
Other		1,751,349		**1,643,352**
Total Ps.		10,482,616	**Ps.**	**9,180,987**

a) From January 2003 to December 2007, the Company sold part of its telephone plant to unrelated parties for Ps. 6,793,053 million and then again leased the plant under financial leaseback agreements. Such assets are being amortized based on the remaining useful lives of the assets at the time of sale.

During 2008, the Company sold part of its telephone plant to unrelated parties for Ps. 1,082,538 and then again leased the plant under financial leaseback agreements. Such assets are being amortized based on the remaining useful lives of the assets at the time of sale.

Amortization expense for the years ended December 31, 2006, 2007 and 2008 was Ps. 1,530,376, Ps. 1,572,397 and Ps. 1,618,201, respectively.

8 Plant, Property and Equipment

a) An analysis of plant, property and equipment at December 31, 2007 and 2008 is as follows:

	Al 31 de diciembre de 2007	2008
Telephone plant and equipment	Ps. 259,846,353	**Ps. 320,141,371**
Land and buildings	16,218,421	**21,148,304**
Other assets	31,130,595	**39,713,303**
	307,195,369	**381,002,978**
Less: Accumulated depreciation	(161,588,087)	**(204,323,681)**
Net	145,607,282	**176,679,297**
Construction in progress and advances to equipment suppliers	19,740,478	**30,361,241**
Inventories, primarily for use in the construction of the telephone plant	1,736,146	**2,856,282**
Total	Ps. 167,083,906	**Ps. 209,896,820**

At December 31, 2007 and 2008, plant, property and equipment include the following assets held under capital leases:

	2007	2008
Assets under capital leases	Ps. 6,793,053	**Ps. 3,046,236**
Accumulated depreciation	(3,136,116)	**(1,254,925)**
	Ps. 3,656,937	**Ps. 1,791,311**

c) Depreciation expense for the years ended December 31, 2006, 2007 and 2008 was Ps. 20,376,577, Ps. 32,296,875 and Ps. 32,677,429, respectively.

d) Given the speed in which important breakthroughs and changes in telecommunications equipment technology arise, the Company reevaluates periodically the estimated useful life of its telephone plant and adjusts the plant's remaining useful life accordingly. In 2007, the Company increased the depreciation rate of TDMA technology assets primarily in Brazil and Colombia to better reflect in its books the technological advances of telecommunications equipment. The depreciation rate increase gave rise to an increase of Ps. 5,796 compared to the depreciation at December 31, 2006.

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

	2007	2008
Accumulated amount of investment to acquire qualifying assets	Ps. 21,103,165	**Ps. 30,700,024**
Capitalized comprehensive financing cost	1,158,576	**7,053,951**
Depreciation rate	5.8%	**23%**

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

The capitalization of the telephone plant began in January 2007 and ended in December 2008.

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

	December 31 2007	2008
Total comprehensive financing cost accrued	Ps. (1,546,061)	**Ps. (20,918,824)**
Capitalized amount	(1,158,576)	**(7,053,951)**
Total comprehensive financing cost	Ps. (387,485)	**Ps. (13,864,873)**

9 Intangible Assets

An analysis of intangible assets at December 31, 2007 and 2008 is as follows:

December 31, 2007	Balance at beginning of year	Acquisitions	Amortization expense	Effect of translation of foreign subsidiaries, net	Balance at end of year
Licenses	Ps. 35,798,989	Ps. 2,089,815			Ps. 37,888,804
Effect of translation	16,491,301			Ps. 5,468,598	21,959,899
Accumulated amortization	(17,585,259)		Ps. (5,699,140)		(23,284,399)
Net	Ps. 34,705,031	Ps. 2,089,815	Ps. (5,699,140)	Ps. 5,468,598	Ps. 36,564,304
Trademarks	Ps. 10,419,154	Ps. 397,597			Ps. 10,816,751
Effect of translation	(716,031)			Ps. (92,814)	(808,845)
Accumulated amortization	(3,569,146)		Ps. (837,606)		(4,406,752)
Net	Ps. 6,133,977	Ps. 397,597	Ps. (837,606)	Ps. (92,814)	Ps. 5,601,154
Goodwill	Ps. 30,292,697	Ps. 17,649,528			Ps. 47,942,225
Effect of translation	2,179,498			Ps. 366,925	2,546,423
Accumulated amortization	(5,763,776)				(5,763,776)
Net	Ps. 26,708,419	Ps. 17,649,528		Ps. 366,925	Ps. 44,724,872

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

a) A description of the principal changes in the caption Licenses at December 31, 2007 and 2008 is as follows:

For the year ended December 31, 2008:

In May 2008, the Company announced that Conecel had been notified by the Consejo Nacional de Telecomunicaciones de Ecuador that it had accepted Conecel's proposal regarding the terms and payments for the new concession. Conecel made an initial fixed payment of USD 289 million (Ps. 4,003,439) to the Ecuadorian government for the new 15-year concession and will subsequently make variable payments determined at 3.93% of the gross concession income of each year.

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

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

For the year ended December 31, 2007:

In March 2007, the Company acquired the shares of Telecomunicaciones de Puerto Rico, Inc. (see Note 10.I)

- In September 2007, the Company was ceded the rights to exploit the 1,895 and 1,970 MHZ radio spectrum frequency F sub-bands to operate and provide cellular telephony services in El Salvador. The amount paid by the Company for such licenses was Ps. 177,269.

- In September 2007, the Company acquired a B band license for frequencies between 835 and 894 MHZ to operate and provide cellular telephony services in Peru. The amount paid by the Company for such licenses was Ps. 251,965.

b) License amortization and trademark amortization expense for the year ended December 31, 2006 was Ps. 5,072,797 and Ps. 904,049, respectively.

c) As a result of certain acquisitions, in 2006 and 2007, the Company also acquired customer-related intangible assets for Ps. 840,671 and Ps. 685,679, respectively. These intangible assets are amortized based on their estimated useful lives, which are 5 years.

10 Investments in Affiliates and Others

An analysis of this caption at December 31, 2007 and 2008 is as follows:

	2007	2008
Investments in:		
Affiliates (Grupo Telvista, S.A. de C.V.)	Ps. 527,524	Ps. 721,044
Other investments	62,091	68,568
Total	Ps. 589,615	Ps. 789,612

I. Investments in subsidiaries

During 2006, 2007 and 2008, the Company made a number of investments in subsidiaries.

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

- 2008 Acquisitions

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

a) In August 2008, the Company acquired 100% of the shares of Entesa Holding Corp., a cable television and broadband platform service provider for homes and businesses in Nicaragua. The amount paid for the acquisition was Ps. 485,206 (USD 47,841) before the net debt of Ps. 117,147 (USD 11,551). Estesa's results of operations have been included in the consolidated financial statements as of September 2008. The Company plans to use this acquisition to strengthen its position in the telecommunications market in Central America.

- 2007 Acquisitions

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

a) Telecomunicaciones de Puerto Rico

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

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

Telecomunicaciones de Puerto Rico provides telecommunication services, including fixed-line and cellular services in Puerto Rico. Telecomunicaciones de Puerto Rico's results of operations have been included in the consolidated financial statements as of April 2007.

b) Oceanic Digital Jamaica Limited

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

- 2006 Acquisitions

a) On December 1, 2006, the Company acquired 100% of the shares of Compañía Dominicana Teléfonos C. por A. from Verizon Communications, Inc., for which the Company paid Ps. 27,557,056 (USD 2,415,000) (USD 2.06 billion before net cash adjustments). Dominicana's results of operations have been included in the consolidated financial statements as of such date. Compañía Dominicana provides telecommunication services, including fixed-line and cellular services in the Dominican Republic. The Company expects the acquisition of Dominicana to contribute to the strategy of becoming the leading wireless communication provider in Latin America.

	Compañía Dominicana de Teléfonos C. por A.
Current assets	Ps. 6,650,937
Fixed assets	8,965,886
Trademarks	214,203
Customer lists	685,679
Other assets	296,328
Less:	
Total liabilities	2,813,513
Fair value of net assets acquired	Ps. 13,999,520
% of equity acquired	100%
Net assets acquired	13,999,520
Amount paid	27,557,056
Goodwill generated	Ps. 13,557,536

- Other acquisitions

a) In 2006 and 2007, the Company paid Ps. 11,247 and Ps. 53,184, respectively, to acquire minority interests in Guatemala, El Salvador, Nicaragua and Colombia. The book value of such shares was Ps. 10,590 and Ps. 46,580, respectively, and the difference between the book value and price paid is reflected in shareholders' equity. As a result of these acquisitions, the Company's equity interest increased from 99.1% to 99.2% in Guatemala; from 99.3% to 99.5% in Nicaragua; and from 99.2% to 99.4% in Colombia.

b) On October 31, 2006, the Company exercised its option to acquire 1.1% of Telecom América's capital stock from a minority shareholder, thus increasing its shareholding from 98.9% to 100%. The Company paid Ps. 1,916,630 (USD 172.5 million) for the equity interest that had a book value of Ps. 491,256.

- General

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

- Unaudited pro forma financial data

The following consolidated pro forma financial data for the years ended December 31, 2006, 2007 and 2008 have not been audited and are based on the Company's historical financial statements, adjusted to give effect to (i) the series of acquisitions mentioned in the preceding paragraphs; and (ii) certain accounting adjustments related to the amortization of licenses and adjustments related to depreciation of fixed assets of the acquired companies.

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

	Unaudited pro forma consolidated for the years ended December 31	
	2006	2007
Operating revenues	Ps. 266,221,150	Ps. 315,134,489
Income from continued operations	49,007,976	58,786,349
Net income	49,007,976	58,786,349
Earnings per share (in Mexican pesos)	1.38	1.67

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

11 Derivative Financial Instruments

To protect itself against future increases in interest rates for the servicing of its long-term debt of Ps. 117,588,307, the Company has entered into interest-rate swap contracts in over-the-counter transactions carried out with the same financial institutions from which the Company has obtained unsecured loans. The weighted average interest rate of the swaps is 8.07%. The swap floating rate is the three-month London Interbank Offer Rate (LIBOR) and the swaps come due every three months, coinciding with the payments of interest.

At December 31, 2007 and 2008, the financial instruments contracted by the Company are as follows:

	Amounts in thousands			
	2007		**2008**	
Instrument	Notional amount	Fair value	Notional amount	Fair value
Interest-rate swaps in Mexican pesos	Ps. 2,000,000	Ps. 79,403		
Cross currency swaps	USD 1,110,000	(245,223)	**USD 610,000**	**Ps. (483,916)**
Interest-rate swaps and cross-currency swaps	USD 350,000	(133,683)	**USD 350,000**	**2,371,725**
Forwards dollar-peso	USD 1,650,000	(17,091)	**USD 2,700,000**	**1,237,405**
Total		Ps. (316,594)		**Ps. 3,125, 214**

With respect to the aforementioned financial instruments, the valuation gain at December 31, 2006, 2007 and 2008 aggregated Ps. 504,771, Ps. 23,851 and 7,497,200, respectively, and was included in the statement of income as part of comprehensive result of financing in the Other financing cost (income), net caption.

12 Employee Benefits

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

a) Puerto Rico

Pension plan

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

This pension plan is comprised of two types of payment:

a) Life-long or retirement pension to which employees are entitled to when they have reached a certain number of years of service and that is computed by applying certain percentages to the number of years of service and based on the employee's salary of the last three years.

b) The payment of an amount that ranges from 9 to 12 months of the employee's current salary. The number of months (9 to 12) also depends on the years of service.

The benefit costs and obligations, together with the status of the funds and costs related to these post-retirement pension plans at December 31, 2008 and 2007, are as follows:

	2007		2008	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Projected benefit obligation at beginning of year				
Acquisition effect	Ps. 15,199,076	Ps. 7,122,088	**Ps. 15,243,410**	**Ps. 7,144,994**
Labor cost	184,291	57,113	**309,201**	**88,392**
Finance cost on projected benefit obligation	670,336	322,672	**1,121,865**	**590,121**
Actuarial loss		84,343	**(253,748)**	**735,942**
Other amended plans		(164,536)		**31,964**
Payments from trust fund	(810,293)	(276,686)	**(1,264,234)**	**(422,138)**
Projected benefit obligation at end of year	15,243,410	7,144,994	**Ps. 15,156,494**	**Ps. 8,169,275**
Changes in plan assets:				
Established fund at beginning of year				
Acquisition effect	Ps. 12,514,255	Ps. –	**Ps. 13,526,767**	
Actual return on plan assets	781,595	–	**(807,465)**	
Employee contributions	1,041,210	276,686	**69,221**	**Ps. 422,138**
Payments from trust fund	(810,293)	(276,686)	**(1,264,234)**	**(422,138)**
Unrecognized actuarial loss, net			**(1,933,608)**	**(644,843)**
Established fund at end of year	Ps. 13,526,767	Ps. –	**Ps. 9,590,681**	**Ps. (644,843)**
Net liabilities	Ps. (1,716,642)	Ps. (7,144,994)	**$ (5,565,813)**	**$ (8,814,118)**
Unrecognized actuarial loss, net	(2,065)	84,343		
Effect of translation			**1,329,507**	**1,757,021**
Liabilities	Ps. (1,718,707)	Ps. (7,060,651)	**Ps. (4,236,306)**	**Ps. (7,057,097)**

Net period cost

The net period cost at December 31, 2007 and 2008 is comprised of the following elements:

	2007		2008	
	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Labor cost	Ps. 184,291	Ps. 57,113	**Ps. 309,201**	**$ 88,392**
Finance cost on projected benefit obligation	670,336	322,672	**1,121,865**	**590,121**
Projected return on plan assets	(779,532)	(9,334)	**(1,382,477)**	**(15,136)**
	Ps. 75,095	Ps. 370,451	**Ps. 48,589**	**$ 663,377**

	2007		2008	
Projected benefit obligation	Ps. 15,243,410	Ps. 7,144,994	**Ps. 15,156,494**	**Ps. 8,169,275**
Accumulated benefit obligation	13,953,983	7,144,994	**17,542,834**	**8,169,275**
Fair value of plan assets	13,526,767	–	**9,590,681**	**–**

Actuarial assumption

The average rates used to determine the net period cost are as follows:

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

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

	Post-retirement benefits	
	2007	2008
Cost percentage of increase in health care for the following year	8.5%	**7.0%**
Cost percentage due to death	5.0%	**5.0%**
Year to which this level will be maintained	2010	**2010**

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

	Post-retirement benefits	
	2007	2008
Cost percentage of increase in health care for the following year	8.5%	**7.0%**
Cost percentage due to death	5.0%	**5.0%**
Year to which this level will be maintained	2010	**2010**

Plan assets

The Company invests its plan assets at the following percentages:

	Post-retirement benefits	
	2007	2008
Capital instruments	61%	**2%**
Debt instruments	35%	**35%**
Cash and cash equivalents	4%	**63%**
	100%	**100%**

Cash flows

During 2007 and 2008, the Company contributed approximately Ps. 1,041,210 (USD 95,787) and Ps. 69,221 USD 5,112), respectively, to the pension plan fund and Ps. 276,686 (USD 25,454) and Ps. 422,138 (USD 31,180), respectively, to the post-retirement obligations fund. In accordance with current regulations, during 2009, the Company expects to contribute approximately Ps. 73 (USD 5.4) to the pension plan fund and Ps. 473 (USD 35) to the post-retirement obligations fund.

Estimated future payments

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

		Pensions and sum of benefits		Post-retirement benefits
2009	Ps.	1,258,155	Ps.	502,447
2010		1,242,464		529,483
2011		1,228,993		554,962
2012		1,211,177		576,055
2013-2017		6,488,406		3,228,357

An analysis of future payments for medicines is as follows:

	Post-retirement benefits
2009	23,841
2010	27,022
2011	30,664
2012	35,159
2013-2017	241,429

b) For Mexico and Ecuador, the net period cost in 2006, 2007 and 2008 is Ps. 3,323, Ps. 3,819 and Ps. 15,493, respectively, for Mexico and Ps. 6,730 (in 2007) and Ps. 7,177 (in 2008) for Ecuador. The balance of labor obligations at December 31, 2007 and 2008 is Ps. 17,652 and Ps. 19,101, respectively, for Mexico and Ps. 30,051 and Ps. 46,143, respectively, for Ecuador.

c) In Mexico and Ecuador the Company is legally required to pay employee profit sharing, in addition to the compensation and benefits to which employees are contractually entitled. The statutory employee profit sharing rate in 2006, 2007 and 2008 was 10% of taxable income in Mexico and 15% in Ecuador.

The total amount charged to results of operations for employee profit sharing in 2006, 2007 and 2008 is Ps. 342,637, Ps. 758,957 and Ps. 1,104,461, respectively.

Starting in 2006, employee profit sharing paid to employees is deductible under certain circumstances for income tax purposes in Mexico. For Ecuador, employee profit sharing is deductible from current year income tax. In Mexico, this deduction aggregated Ps. 293,847 in 2006 and Ps. 85,476 in 2007.

13 Accounts Payable and Accrued Liabilities

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

	December 31 2007	December 31 2008
Suppliers	Ps. 51,512,873	**Ps. 64,086,196**
Sundry creditors	5,900,047	**8,763,642**
Interest payable	2,115,082	**2,330,624**
Accrued expenses and other provisions	11,967,926	**13,685,577**
Guarantee deposits	541,345	**1,057,244**
Dividend pending payment	854,691	**944,118**
Total	Ps. 72,891,964	**Ps. 90,867,401**

b) At December 31, 2007 and 2008, an analysis of Accrued expenses and other provisions is as follows:

	Balance at December 31, 2006	Effect of translation	Effect of inflation	Increase for the year	Charges or credits to results of operations: Payments	Charges or credits to results of operations: Reversals	Balance at December 31, 2007
Direct employee benefits payable	Ps. 575,273	Ps. 11,331	Ps. 20,793	Ps. 919,528	Ps. (397,370)	Ps. (105,235)	Ps. 1,024,320
Office expenses	830,110	55,078	30,004	27,166	(362,679)	(3,119)	576,560
Professional fees	79,006	(1,483)	2,856	338,354	(300,527)	(254)	117,952
Retirement of assets provision	1,134,366	52,470	41,001	649,224	(338,406)	(218,860)	1,319,795
Points and loyalty program provision	500,084	1,983	18,075	699,115	(350,619)		868,638
Quantifiable contingencies provision	5,209,555	791,676	188,297	1,888,846	(76,976)	(783,546)	7,217,852
Other provisions	187,361	3,855	6,772	2,129,770	(1,484,949)		842,809
	Ps. 8,515,755	Ps. 914,910	Ps. 307,798	Ps. 6,652,003	Ps. (3,311,526)	Ps. (1,111,014)	Ps. 11,967,926

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

14 Debt

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

Currency	Item	2007 Rate	2007 Maturity from 2008 to		2007 Total 2007	2008 Rate	2008 Maturity from 2009 to		2008 Total 2008
U.S. dollars									
	ECA credits (fixed rate)	2.71% - 3.2%	2010	Ps.	705,654	**2.71% - 3.2%**	**2010**	**Ps.**	**527,508**
	ECA credits (floating rate)					**L + 0.75%**	**2015**	**Ps.**	**2,707,660**
	Syndicated loans	L + 0.25%	2011		8,149,650	**L + 0.25%**	**2011**		**27,076,600**
	Fixed-rate senior notes	4.125% - 6.375%	2037		41,215,497	**4.125% - 6.375%**	**2037**		**50,517,558**
	Floating-rate senior notes	L[1] + 0.1%	2008		5,433,100				**–**
	Lines of credit	L + 0.15 - L + 2.5%	2009		3,429,362	**L + 0.15 - L + 2.5%**	**2013**		**4,397,017**
	Leases	5.40% - 8.75% & L +1.53% - 2.90%	2012		1,022,195	**7.95% - 8.75% & L + 2.9% - 3.16%**	**2012**		**587,772**
	Subtotal dollars				59,955,458				**85,814,115**
Euros									
	ECA credits (floating rate)					**E[5] + 0.70%**	**2016**		**4,979,233**
	Subtotal euros								**4,979,233**
Mexican pesos									
	Lines of credit	8.07%	2008		2,500,000	**TIIE + 0.24%**			**4,500,000**
	Fixed-rate notes	8.39% - 10.45%	2036		15,400,000	**8.11% - 10.45%**	**2036**		**20,060,964**
	Floating-rate notes	Sundry	2012		7,750,000	**Sundry**	**2013**		**7,750,000**
	Commercial paper	7.04% - 7.88%	2008		3,000,000	**8.18% - 8.53%**	**2009**		**5,500,000**
	Leases	TIIE + .15%	2008		3,534,000				**–**
	Subtotal Mexican pesos				32,184,000				**37,810,964**
Brazilian reais									
	Lines of credit	10.5% to 11.9%	2014		1,452,482	**9.25%**	**2014**		**1,155,040**
	Subtotal Brazilian reais				1,452,482				**1,155,040**
Colombian pesos									
	Bonds	CPI + 6.8% - 7.50% and 7.59%	2016		4,853,968	**CPI + 6.8% - 7.50% and 7.59%**	**2016**		**5,430,792**
	Subtotal Colombian pesos				4,853,968				**5,430,792**
Other currencies									
	Bonds	6.41%	2012		453,212	**6.41%**	**2012**		**538,602**
	Leases				–	**6.45%**	**2011**		**890,254**
	Lines of credit	5.60% - 10.0%	2012		5,853,274	**Sundry**	**2012**		**6,867,448**
	Subtotal other currencies				6,306,486				**8,296,304**
	Total debt				104,752,394				**143,486,448**
	Less: Short-term debt and current portion of long-term debt				19,952,907				**26,731,355**
	Long-term debt			Ps.	84,799,487			**Ps.**	**116,755,093**

(1) L = LIBOR or London Interbank Offer Rate

(2) TIIE = Mexican Weighted Interbank Rate

(3) FTD = Fixed-term deposits

(4) CPI = Consumer price index

(5) E = Euribor

Except for the fixed-rate senior notes, interest rates on the Company's debts are subject to variances in international and local rates. The Company's weighted average cost of borrowed funds at December 31, 2008 was approximately 5.70% (6.78% in 2007).

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

An analysis of the Company's short-term debt at December 31, 2007 and 2008 is as follows:

Debt		2007		2008
Domestic senior notes	Ps.	8,433,100	**Ps.**	**8,142,073**
Credit line drawdowns		4,032,553		**10,200,547**
Commercial paper		3,000,000		**5,500,000**
Other loans		3,664,004		**270,997**
Total	Ps.	19,129,657	**Ps.**	**24,113,617**
Weighted average interest rate		7.16%		**6.18%**

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

Year	Amount
2010	Ps. 8,179,494
2011	28,411,810
2012	6,653,287
2013	7,316,779
2014	11,716,370
2015 and thereafter	54,477,353
Total	Ps. 116,755,093

Senior Notes - At December 31, 2008, the Company had senior notes issued in U.S. dollars of USD 3,793 million (Ps. 51,319,290 million) maturing from 2009 to 2037. The Company also had senior notes issued in Mexican pesos of Ps. 13,000 million maturing in 2016 and 2036. During 2008, América Móvil did not issue any new senior notes in international markets.

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

Lines of credit granted or guaranteed by export credit agencies -The Company has medium- and long-term financing programs for the purchase of equipment, whereby certain agencies provide financial support to purchase export equipment from their respective countries. The debt issued under these plans at December 31, 2008 is Ps. 8,214,000 million (USD 607 million).

Domestic senior notes - At December 31, 2008, the domestic senior note debt aggregates Ps. 14,811 million. In general, these issues bear a fixed or floating interest rate established as a percentage of either the Mexican weighted interbank interest rate (TIIE) or the Mexican treasury certificate (CETES) rate.

In addition to the above, the Company has two commercial paper programs authorized by the National Banking and Securities Commission (NBSC) for a total amount of Ps. 20,000 million, of which Ps. 4,500,000 million has been issued at December 31, 2008.

General

At December 31, 2008, the Company had a number of bank facilities for approximately Ps. 43,996 million (USD 3,250 million) bearing interest at the LIBOR plus a spread. Under all of the facilities, América Móvil and Telcel are the guarantors.

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

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

A number of the financing instruments are subject to either acceleration or repurchase at the holder's option if there is a change in the Company's control. At December 31, 2008, the Company has complied with all of the above-mentioned requirements.

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

15 Foreign Currency Position and Transactions

At December 31, 2007 and 2008, América Móvil has the following foreign currency denominated assets and liabilities:

	Foreign currency in millions at December 31			
	2007		2008	
	Amount	Exchange rate-Mexican peso per currency	Amount	Exchange rate-Mexican peso per currency
Assets				
U.S. dollars	2,743	10.87	**4,138**	**13.54**
Quetzal (Guatemala)	1,719	1.42	**1,145**	**1.74**
Brazilian reais	2,747	6.13	**3,158**	**5.79**
Colombian peso	909,031	0.005	**941,758**	**0.006**
Argentinean peso	1,092	3.45	**1,331**	**3.92**
Uruguayan peso	912	0.504	**1,126**	**0.556**
Cordoba (Nicaragua)	1,425	0.575	**1,144**	**0.682**
Lempira (Honduras)	400	0.571	**751**	**0.712**
Chilean peso	91,007	0.02	**128,447**	**0.02**
Peruvian sol	318	3.6	**415**	**4.3**
Guarani (Paraguay)	162,092	0.002	**203,435**	**0.003**
Dominican peso	32,175	0.316	**32,291**	**0.382**
Jamaican dollars	243	0.152	**4,285**	**0.169**
Euro			**119,742**	**18.91**
Swiss franc	95	9.59	**106**	**12.67**

	Foreign currency in millions at December 31			
	2007		2008	
	Amount	Exchange rate-Mexican peso per currency	Amount	Exchange rate-Mexican peso per currency
Liabilities				
U.S. dollars	(9,197)	10.87	**(11,955)**	**13.54**
Quetzal (Guatemala)	(2,720)	1.42	**(2,760)**	**1.74**
Brazilian reais	(4,966)	6.13	**(5,642)**	**5.79**
Colombian peso	(1,586,363)	0.005	**(1,839,490)**	**0.006**
Argentinean peso	(2,131)	3.45	**(2,753)**	**3.92**
Uruguayan peso	(510)	0.504	**(1,164)**	**0.556**
Cordoba (Nicaragua)	(2,026)	0.575	**(2,066)**	**0.682**
Lempira (Honduras)	(1,955)	0.571	**(2,578)**	**0.712**
Chilean peso	(322,795)	0.02	**(328,378)**	**0.02**
Peruvian sol	(643)	3.63	**(1,253)**	**4.3**
Guarani (Paraguay)	(247,585)	0.002	**(330,894)**	**0.003**
Dominican peso	(11,770)	0.316	**(13,435)**	**0.382**
Jamaican dollars	(426)	0.152	**(10,908)**	**0.169**
Euro			**(263,766)**	**18.91**

At April 15, 2009, the date of the audit report on these financial statements, the exchange rates are as follows:

Foreign currency	Exchange rate-Mexican peso per currency
U.S. dollars	13.09
Quetzal (Guatemala)	1.62
Brazilian reais	5.95
Colombian peso	0.006
Argentinean peso	3.56
Uruguayan peso	0.55
Cordoba (Nicaragua)	0.65
Lempira (Honduras)	0.69
Chilean peso	0.02
Peruvian sol	4.23
Guarani (Paraguay)	0.002
Dominican peso	0.37
Euro	17.32
Swiss franc	14.96
Jamaican dollars	0.15

In the years ended December 31, 2006, 2007 and 2008, the Company had the following transactions denominated in foreign currencies. Currencies other than the U.S. dollar were translated to U.S. dollars using the closing exchange rate for 2006 and 2007 and the average exchange rate for 2008:

	U.S. dollars (thousands)		
	2006	2007	2008
Net revenues	Ps. 11,622,733	Ps. 17,131,480	Ps. **19,036,746**
Operating costs and expenses	10,549,571	14,576,815	**16,023,340**
Interest income	253,616	375,254	**470,033**
Interest expense	435,937	608,093	**711,218**
Other income (expenses), net	(31,348)	(465,427)	**258,211**

16 Quantifiable and Unquantifiable Contingencies and Commitments

a) As of December 31, 2008, the Company has entered into various leases (as a lessee) with related and third parties for the buildings in which its offices are located, as well as with owners of property where the Company has installed radio bases. The leases generally run from one to fourteen years.

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

At December 31, 2008, the Company had the following commitments under non-cancelable leases:

Year ended December 31	Capital lease	Operating lease
2009	Ps. 782,305	Ps. 3,886,631
2010	516,408	3,417,128
2011	234,246	3,100,975
2012	4,860	2,568,843
2013		2,508,953
2014 and thereafter		2,172,412
Total	1,537,819	Ps. 17,654,942
Minus interest	(59,793)	
Present value of minimum net rental payments	1,478,026	
Less current portion	(763,559)	
Long-term obligations	Ps. 714,467	

Rent charged to expenses in 2006, 2007 and 2008 aggregated Ps. 4,092,642, Ps. 5,052,082 and Ps. 6,325,739, respectively.

b) Commitments

At December 31, 2008, some of the Company's subsidiaries had commitments to acquire equipment for their GSM and 3G networks for up to approximately USD 277 million (approximately Ps. 2,927 million). The estimated completion period for projects in progress ranges from 3 to 6 months, depending on the type of project and the equipment supplier, as well as the type of asset.

c) Contingencies

América Móvil

NatTel

The plaintiff, NatTel, LLC ("NatTel") sued the Company and others in a Connecticut state court in the United States based on an August 2007 transaction where the Company purchased shares of Oceanic Digital Jamaica, Ltd. ("ODJ") from ODC St. Lucia, a subsidiary of Oceanic Digital Communications, Ltd. ("ODC"), in which NatTel is a minority shareholder. Under the agreement governing the transaction, the parties placed approximately US$15 million (approximately Ps.203.1 million) in escrow with the Bank of New York, and the remaining purchase payments paid certain inter-company debt owed by Oceanic to the majority shareholders in ODC – SAC Capital Associates, LLC and SAC Capital Advisors (collectively, "SAC").

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

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

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

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

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

Cempresa

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

Plaintiffs assert that one of their exit strategies with respect to the minority shares was a right to negotiate for an exchange of those shares of the Company. Plaintiffs contend in the lawsuit that Defendants wrongfully deprive them of a share exchange and they seek the alleged value of the Company's shares they claim the would have receive, which Plaintiffs assert amount to over US$900 million (approximately Ps.12,186 million). Plaintiffs also seek punitive damages. Plaintiffs additionally assert that Defendants purposefully misrepresented the value of Plaintiffs' minority shares to try to prevent a share exchange. In 2003, Plaintiffs voluntarily sold their minority shares to Defendants, executing comprehensive releases as part of the transactions.

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

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

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

Telcel

Cofeco—Substantial market power investigations

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

The second Cofeco investigation, which commenced in April 2008 was initiated by an alleged Telcel subscriber -who ended up being subscribed to another mobile operator- and is into whether Telcel has substantial market power in the nationwide market for local voice and data services. In this investigation, Cofeco has issued a preliminary report (*dictamen preliminar*) finding that Telcel has substantial market power.

Interested parties have the opportunity to submit information for Cofeco's review before it issues a final report. Telcel has provided extensive information to Cofeco in both investigations, and the Company cannot predict when Cofeco will issue final reports or whether it will modify its preliminary findings. Depending on the final reports, Telcel and other operators will be entitled to seek administrative review (*recurso administrativo de reconsideración*) and may also bring judicial challenges.

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

Cofeco—Monopolistic practices investigations

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

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

Interconnection Fees

There has been extensive controversy in Mexico concerning the interconnection fees payable by fixed-line operators to mobile operators on fixed-to-mobile calls for periods beginning with 2005. The principal stages in the controversy, as it relates to interconnection with Telcel, are summarized below.

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

- *August 2006 Cofetel Resolution*. Axtel, Avantel and Alestra did not become party to the December 2004 agreement. Instead, they began proceedings with Cofetel to establish the interconnection fees for local traffic under "calling party pays" between them and Telcel. In August 2006, Cofetel issued a resolution establishing local interconnection fees between these operators and Telcel for the years 2005 through 2010. These rates were lower than the fees Telcel had agreed with the other operators in December 2004. In addition, Cofetel ruled that starting in 2007, interconnection fees would be based on the total number of seconds for the month rounded to the next minute, rather than by rounding each call to the next minute, as had been the practice. In order to mitigate the effects of this change on Telcel, Cofetel authorized Telcel to collect a surcharge of 25% in 2007, 18% in 2008 and 10% in 2009 over the interconnection fees billed to Axtel. Telcel challenged this resolution.

- *2006 Agreements*. In the fourth quarter of 2006, in connection with the implementation of the "calling party pays" system for long-distance, most operators other than Axtel and Avantel agreed on local and long-distance interconnection fees for the years 2007 through 2010. These agreements contemplated continued reductions in fees.

- *December 2007 Judicial Decision and January 2008 Cofetel Resolution*. Telcel began judicial proceedings challenging Cofetel's August 2006 resolution on interconnection rates between Axtel and Telcel. In December 2007, the court invalidated Cofetel's August 2006 resolution in its entirety and directed Cofetel to issue a new resolution covering solely the periods from 2005 through 2007. In January 2008, as directed by the court, Cofetel issued a resolution establishing interconnection rates between Telcel and Axtel for the periods from 2005 through 2007 on the same terms as Cofetel's August 2006 resolution. Telcel challenged this resolution as to the rates applicable for the aforementioned period and such challenge has not been resolved.

- *2008 Proceedings Involving Axtel*. In December 2007 and March 2008, Axtel initiated proceedings with Cofetel to establish interconnection rates for the years from 2008 through 2011. In May 2008, prior to Cofetel issuing a resolution, Axtel obtained a court order against Cofetel to prevent Cofetel from issuing a resolution on interconnection between Axtel and Telcel. It also filed an administrative review proceeding (*recurso de revision*), against the alleged negative to act (*negativa ficta*) of Cofetel with the Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes* or "SCT"), that permits SCT to review the alleged decision by Cofetel. Axtel contended that Cofetel, by failing to issue a resolution on interconnection between Axtel and Telcel for interconnection fees for 2008 through 2011, had refused to act, and asked SCT to review that refusal. In July 2008, Telcel obtained a court order preventing SCT from ruling on Axtel's challenge to Cofetel's supposed refusal to act on interconnection between Axtel and Telcel. In September 2008, however, breaching said court order, SCT issued a resolution establishing interconnection fees for 2008 through 2011. These fees are less than half of the fees Telcel previously agreed with the other operators. Telcel challenged said resolution and obtained a court order suspending the effects of it.

- *April 2009 Cofetel Resolutions*. In April 2009, Cofetel issued a resolution establishing the interconnection rates applicable between Avantel (a subsidiary of Axtel) and Telcel for long distance traffic under the "calling party pays" system. Since it has recently been notified, Telcel is currently reviewing the resolution and evaluating whether to present judicial or administrative challenges.

The Company considers that interconnection fees for fixed-to-mobile calls will continue, for a while, to be the subject of litigation and administrative proceedings and the resulting uncertainty. We cannot predict when or how these matters will be resolved, and the competitive and financial effects of any resolution could be complex and difficult to predict. Although the matters in dispute primarily concern one operator, Axtel (and its subsidiary Avantel), if those matters are resolved adversely to us through a final, non-appealable resolution or decision from Cofetel, SCT or the courts, the impact could be material because Telcel would be required to offer to the other operators any more favorable fees it is required to provide to Axtel. This could materially reduce Telcel's interconnection revenues in future periods. Also, depending on how the disputes are resolved, there could be contractual claims among the parties for reimbursement or payment, as the case maybe, of amounts paid or left unpaid between Telcel and Axtel in respect to certain time periods from 2005 to 2009.

February 2009 Interconnection Plan

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

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

Telcel has challenged the Plan in the Mexican courts. In April 2009, Telcel obtained a court order suspending the effects of the Plan as they relate to Telcel pending resolution of its judicial challenge.

Short Message Services (SMS)

Under the terms of its concessions for the 800 megahertz spectrum, Telcel must pay to the Mexican federal government a royalty based on gross revenues from concessioned services. The royalty is levied at rates that vary from region to region and average approximately 6%.

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

In related proceedings, Cofetel has ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services. Telcel is currently disputing these issues in an administrative proceeding, but has made provisions in its financial statements for this potential liability. As of December 31, 2008, Telcel had provisioned Ps.455.3 million.

Trademarks Tax Assessments

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

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

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

Comcel

Voice over IP

In March 2000, the Colombian Industry and Commerce Superintendence (S*uperintendencia de Industria y Comercio* or "SIC") issued Resolution No. 4954, requiring Comunicación Celular, S.A. ("Comcel") to pay a fine of approximately US$100 thousand (approximately Ps.1.3 million) for alleged anti-competitive behavior. In addition to this administrative fine, the SIC ordered Comcel to pay damages to other long distance operators. The long distance operators estimated their damages to be US$70 million (approximately Ps.947.8 million). Comcel requested an administrative review of the damages decision, which was denied in June 2000. Comcel appealed, and the appeal was rejected in November 2000. Comcel resubmitted the appeal in February 2001. Comcel also filed a special action in court challenging the denial of the administrative review.

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

In January 2008, SIC determined that Comcel was required to pay the long distance operators approximately US$1.8 million (approximately Ps.24.4 million, which represents a reduction of approximately 95% of the original amount claimed by the long distance operators). In February 2008, Comcel appealed the SIC's resolution on the grounds that Comcel had not caused any damage nor it incurred in any liability.

Comcel has made provisions in its financial statements with respect to this potential liability. Comcel expects to continue pursuing all available legal actions after a decision on damages is rendered. Comcel does not expect any resolution to be issued until the end of 2009.

Distributors

In February 2007, Comcel was notified of an arbitration proceeding initiated against it by Tecnoquímicas, S.A., which was a distributor of prepaid cards of Comcel until July 2006. In the proceeding, the distributor alleges breach of contract and commercial liability on the part of Comcel. Claimant seeks to recover approximately U.S.$35 million (approximately Ps.473.9 million) from Comcel. Comcel has made provisions in its financial statements with respect to this potential liability. In November 2007, Comcel was also notified of an arbitration proceeding initiated against it by Colcell, Ltda., which was a distributor of Comcel until July 2007. The proceeding relates to Comcel's decision to reduce the commissions paid to distributors. In the proceedings, the distributors allege: (i) abuse of dominant position of Comcel; (ii) the existence of a commercial agency relationship between Comcel and the distributor; and (iii) breach of contract and commercial liability on the part of Comcel. Claimant seeks to recover approximately U.S.$6 million (approximately Ps.81.2 million) from Comcel.

Dominant position

In March 2009, the Colombian Telecommunications Regulatory Commission (*Comisión de Regulación de Telecomunicaciones de Colombia* or "CRT") issued a series of resolutions stating that Comcel has a dominant position in Colombia's market for outgoing mobile services. Under Colombian law, a market participant is considered to have a dominant position in a specified market if the regulators determine that it has the capacity to control the conditions in that market. The CRT made its determination based on Comcel's traffic, revenues and subscriber base. The resolutions also included regulations that would require Comcel to charge rates (excluding access fees) for mobile-to-mobile calls outside the Comcel network ("off net") that are no higher than the fees charged for mobile-to-mobile calls within the Comcel network ("on net"). CRT would monitor the rates by reviewing Comcel's average revenue per minute on a quarterly basis. The resolutions did not present a timetable for implementation of the regulations. In April 2009, Comcel filed a request for review of the resolutions (*recurso de reposición*) with the Colombian Ministry of Communications. Comcel expects that the Colombian Ministry of Communications will respond to its request in May 2009. The Company cannot predict how these matters will be resolved. However, if the regulations are implemented in their current form, the Company does not expect them to have a material impact on its business and results of operations in Colombia.

Brazil

Anatel Inflation-Related Adjustments

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

The companies have filed declaratory and consignment actions in Brazilian courts seeking resolution of the disputes. The court of first instance ruled against ATL's filing for declaratory action in October 2001 and ATL's filing for consignment action in September 2002. Subsequently, ATL filed appeals which are pending. The court of first instance ruled against Tess' filing for consignment action in June 2003 and against Tess' filing for declaratory action in February 2009. Tess filed an appeal which is pending. In December 2008, ANATEL charged Tess approximately US$160 million (approximately Ps.2,166.4 million). Tess filed an appeal and consequently payment has been suspended until the final ruling is issued. ATL was not charged yet of any payment.

The aggregate contested amounts are approximately US$240 million (approximately Ps.3,249.6 million) (including potential penalties and interest). On December 31, 2005, both ATL and Tess were merged into BCP, S.A. ("BCP"). In April 2008, BCP changed its name to Claro S.A. ("Claro Brasil").

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

BNDESPar

Prior to the acquisition of Telet, S.A. ("Telet") and Americel, S.A. ("Americel") by Telecom Americas Limited ("Telecom Americas"), BNDESPar, a subsidiary of BNDES, the Brazilian development bank, had entered into investment and other shareholder agreements with Americel, Telet and certain of their significant shareholders. Under these agreements, BNDESPar had the right, among others, to participate in the sale of shares of Telet and Americel in the event of certain transfers of control, for so long as BNDESPar held 5% of the share of capital in those companies. In October 2003, Telecom Americas increased the capital of each of Telet and Americel and BNDESPar's ownership fell below 5% from approximately 20% in each, as it elected not to exercise its preemptive rights. Subsequently, BNDESPar sent official notices to Telet and Americel reserving its rights under the agreements with respect to certain past transfers of shares. In November 2004, BNDESPar filed a lawsuit with the competent court of Rio de Janeiro claiming that BNDESPar is entitled to sell its shares in Telet and Americel to Telecom Americas for approximately US$164 million (approximately Ps.2,220 million). The Company does not believe that BNDESPar has valid grounds for its claims against Telecom Americas. The Company cannot provide assurance, however, that Telecom Americas will ultimately prevail in this dispute. Claro Brasil has not made specific provisions in its financial statements for this potential liability.

Lune Patent Case

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

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

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

In the case against Americel, the plaintiff has requested the court to initiate the necessary proceedings for the execution of judgment. The court has estimated that the award for damages could amount to as much as approximately US$270 million (approximately Ps.3,655.8 million). In September 2006, the Higher Court of Justice of Brazil unanimously ruled to stay the trial, due to the injunction suspending the validity of the patent in question. The Company expects that the trial will remain stayed as long as the patent remains suspended. Furthermore, Americel benefits from a limited contractual indemnity from its equipment suppliers (Nortel Networks) in respect of trademark infringement. The process remains suspended by the Superior Court of Justice. Americel has not made specific provisions in its financial statements to cover these potential liabilities.

Tax Assessments against Americel

In December 2005, the Brazilian Federal Revenue Service (*Secretaria da Receita Federal do Brasil*) issued three tax assessments against Americel in respect of withholding income taxes and PIS and COFINS taxes (contributions levied on gross revenue) for 2000 through 2005. The total amount of the tax assessments is of approximately R$224.2 million (approximately Ps.1,298.1 million), including R$88.8 million (approximately Ps.514.2 million) of taxes and contributions plus fines and interest. Americel has challenged these assessments, and its challenge is pending before the Brazilian Taxpayers Council (*Conselho de Contribuintes*) in Brasilia. Americel did not make any specific provisions in its financial statements to cover these potential liabilities.

Tax Assessments against ATL

In March 2006, the Brazilian Federal Revenue Service issued two tax assessments against ATL in respect of certain tax credits claimed by ATL and derived from non-cumulative contributions levied on gross income (PIS and COFINS). Under the Brazilian tax legislation, the calculation and payment of PIS and COFINS has two different regimes, the cumulative and non-cumulative regimes. The applicability of a regime depends on the nature of the company and its business sector. The cumulative regime applies to revenues derived from the provision of telecommunications services, while the sale of handsets is taxed under the non-cumulative regime. The non-cumulative regime is based on the value-added concept and allows the taxpayer to claim tax credits corresponding to preceding transactions. ATL (as well as other of the Company's Brazilian subsidiaries) offsets the tax credit derived from the non-cumulative regime for the sale of handsets (the balance between the purchase and the sale of handsets), against contributions owed under the cumulative regime. The Brazilian Federal Revenue Service is arguing that tax credits derived from the non-cumulative regime may not be used to offset contributions owed under the cumulative regime. The total amount of the tax assessments is approximately R$54.9 million (approximately Ps.317.9 million), including R$24.1 million (approximately Ps.139.5 million) of taxes and contributions plus R$30.8 million (approximately Ps.178.3 million) of fines and interest. Claro Brasil has challenged these assessments, and the challenge is pending before the Brazilian Taxpayers Council.

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

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

Conecel
Tax Assessments

During 2008, Conecel filed administrative proceedings before the Ecuadorian Revenue Services (*Servicio de Rentas Internas de Ecuador*, or the "SRI"), challenging US$127 million (approximately Ps.1,719.6 million) of certain tax assessments notified by the SRI amounting to U.S.$138 million (not including interest and penalties) (approximately Ps.1,868.5) which related to special consumption (ICE), value-added, income and withholding taxes for the years 2003 to 2006. In March 2008, Conecel paid to the SRI U.S.$14.3 million (approximately Ps.193.6 million) in respect of the aforesaid tax assessments.

In December 2008, the SRI notified Conecel of a resolution that denied the challenges filed by Conecel against the tax assessments. As a result of the foregoing, on January 15, 2009, Conecel filed a lawsuit before a Tax Court in Guayaquil (*Tribunal Fiscal Distrital de Guayaquil*) challenging the tax assessments, attaching a bank guarantee of US$12.7 (approximately Ps.172 million), which represented 10% of the contested amount.

17 Related Parties

a) An analysis of balances due from/to related parties at December 31, 2007 and 2008 is provided below. All the companies are considered affiliates since América Móvil's primary shareholders are also either direct or indirect shareholders of the related parties.

		December 31 2007		December 31 2008
Due from:				
Teléfonos de México, S.A.B. de C.V. and subsidiaries	Ps.	449,053	**Ps.**	**704,038**
Telmex Internacional, S.A.B. de C.V.				**20,004**
Teléfonos del Noroeste S.A. de C.V.		554,665		**34,709**
Sanborns Hermanos, S.A. de C.V.		133,207		**100,214**
Sears Roebuck, S.A. de C.V.		119,590		**33,845**
Other		78,095		**159,986**
Total	Ps.	1,334,610		**1,052,796**
Due to:				
Fianzas Guardiana Inbursa, S.A. de C.V.		59,596		**77,232**
Seguros Inbursa, S.A. de C.V.		64,511		**75,686**
Embratel Participacoes, S.A.		1,074,597		**499,303**
Other		51,071		**270,033**
Total	Ps.	1,249,775		**922,254**

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

c) América Móvil has entered into an agreement with AT&T to receive consultancy services. In 2007 and 2008, the Company paid USD 7.5 million (Ps. 81,500 million and Ps. 101,500 million, respectively) for services received.

In 2006, the Company paid USD 28.5 million (Ps. 322,000) to AMTEL (the company that had the agreement with América Móvil prior to the merger) and USD 1 million (Ps. 11,200) to AT&T for services received.

d) For the years ended December 31, 2006, 2007 and 2008, the Company conducted the following transactions with related parties (mainly with Telmex and Telmex Internacional):

	2006	2007	2008
Revenues:			
Calling Party Pays interconnection fees and others	Ps. 13,909,498	Ps. 19,702,718	**Ps. 19,372,722**
Costs:			
Payments for long-distance, circuits and others	6,541,648	6,891,049	**7,049,264**
Commercial, administrative and general expenses:			
Advertising	811,248	1,229,726	**1,384,790**
Others, net	766,314	896,249	**1,202,526**
Interest expense, net	(380,787)		**(161,798)**

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

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

g) In 2005, Telmex Argentina, a subsidiary of Telmex Internacional, and AMX Argentina (formerly, CTI Móvil) agreed to jointly install a network of fiber optic trunk lines in Argentina approximately 1,943 kilometers in length. The project was completed in 2008 at an approximate cost of Ps. 260,785 (USD 24 million).

In 2008, AMX Argentina began the construction of approximately 3,100 Km of fiber optic transmission lines in southern Argentina. The construction work and cable are valued at Ps. 523,534 (USD 38.5 million). Once the work is finalized, AMX Argentina will enter into a 30-year license for use agreement with Telmex Argentina (subsidiary of Telmex Internacional).

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

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

j) In the normal course of operations, the Company's subsidiaries in Brazil have entered into lease agreements with Embratel. The total annual rent under such lease agreements is approximately R. 1.97 million (approximately Ps. 114.12 million). As well, Embratel leases properties from América Móvil's subsidiaries in Brazil. The total annual rent received by the subsidiaries is R. 19.6 million (approximately Ps. 113.54 million). The net amount of rent between the Brazilian subsidiaries is included in the caption Cost of sales and services in the statement of income.

k) On December 26, 2006, CICSA Perú S.A., Telmex Peru, S.A. and América Móvil Perú, SAC entered into a turnkey fiber optic network construction contract for approximately USD 43 million. At the date of the contract, América Móvil Perú, SAC. has made payments equal to 50% of the value of six sections of the network in use of USD 20.9 million.

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

	2006	2007	2008
Short- and long-term direct benefits	Ps. 19,991	Ps. 30,302	**Ps. 34,300**

During the years ended December 31, 2006, 2007, and 2008, the Company made no termination payments.

m) As mentioned in Note 4, in December 2007 USCO's shares were donated to Fundación Carso (related party).

18 Shareholders' Equity

Shares

a) Before the merger described in Note 3, the Company's capital stock consisted of a fixed amount of Ps. 402,900 (historical), represented by 48,348,005,796 shares (including treasury shares for re-subscription in terms of the Securities Trading Act and the general provisions issued by the National Securities and Bonding Commission [NSBC]), divided into: (i) 11,420,301,030 common registered Series "AA" shares, with no par value; (ii) 979,846,541 common registered Series "A" shares, with no par value and; (iii) 35,947,858,245 registered Series "L" shares, with no par value and limited voting rights. All of the above-mentioned shares were fully subscribed and paid in.

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

c) In July 2005, the Company carried out a three-for-one split of the Company's outstanding shares, as was approved at the ordinary stockholders' meeting held on April 27, 2005; consequently, the Company's capital stock at December 31, 2006, 2007 and 2008 was represented by 35,907,021,650 shares (10,859,838,050 of Series "AA", 571,620,157 of Series "A" and 24,475,563,443 of Series "L") for 2006, 34,897,833,852 shares (11,712,316,330 of Series "AA", 547,508,654 of Series "A" and 22,638,008,877 of Series "L") for 2007 and 33,250,796,049 shares (11,712,316,330 of Series "AA", 480,036,244 of Series "A" and 21,058,443,475 of Series "L") for 2008 (includes the retroactive effect of the split and the effect of the merger). These shares represented the Company's fixed minimum capital at such dates.

d) At December 31, 2006, 2007 and 2008, the Company had treasury shares for re-subscription in terms of the Securities Trading Act and the general provisions issued by the NSBC as follows: 12,440,984,146 shares (12,409,455,342 Series "L" and 31,528,804 Series "A") for 2006, 12,847,028,246 shares (12,814,643,242 Series "L" and 32,385,004 Series "A") for 2007 and 14,494,066,049 shares (14,460,871,645 Series "L" and 33,194,404 Series "A") for 2008.

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

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

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

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

Dividends

g) On April 26, 2006, the Company's stockholders declared a cash dividend of $ 0.10 peso per Series "AA", "A" and "L" share, for a total distribution of Ps. 2,289,219, payable in full on July 26, 2006 against coupon No. 21 of the titles that represent the Company's capital stock.

On April 27, 2007, the Company's stockholders declared a cash dividend of $ 0.20 peso per Series "AA", "A" and "L" share, for a total distribution of Ps. 7,240,625, payable in full on July 27, 2007 against coupon No. 22 of the titles that represent the Company's capital stock.

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

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

All the information has been adjusted to give retroactive effect to the split and merger described in Note 3; consequently, the information above may not necessarily coincide with the information shown in the Company's legal records of the dates on which the stockholders' meetings were held.

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

Repurchase of shares

h) During the three-year period ended December 31, 2008, the Company has repurchased shares, as shown below. The amount of the repurchase price in excess of the capital stock represented by the shares was charged to retained earnings:

	No. of shares in millions		Amount in thousands of Mexican pesos		Historical amount in thousands of Mexican pesos	
Year	Series L	Series A	Series L	Series A	Series L	Series A
2006	338	0.5	$ 7,788,888	$ 10,040	$ 7,262,485	$ 9,382
2007	405	0.8	$ 12,829,295	$ 27,143	$ 12,617,400	$ 26,915
2008	**1,646**	**0.8**	**$ 41,736,011**	**$ 19,558**	**$ 41,736,011**	**$ 19,558**

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

19 Current and Deferred Income Tax, Flat Rate Business Tax, Asset Tax and Employee Profit Sharing

a) Mexico

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

2) As of 2007, the 1.25% asset tax rate is payable on the average value of most assets net of certain liabilities. Through December 31, 2006, asset tax was payable based on 1.8% of the average value of most assets net of certain liabilities. Asset tax for the years ended December 31, 2006 and 2007 was Ps. 701,224 and Ps. 1,854,082, respectively. Such amounts were remitted through the crediting of income tax paid in both years.

Asset tax for the year ended December 31, 2006 was determined on a consolidated basis for Mexican subsidiaries and offset against income tax in the tax consolidation.

The Flat-Rate Business Tax (FRBT) Law was published in the *Official Gazette* on October 1, 2007. This Law became effective as of January 1, 2008 and abolished the Asset Tax Law. The FRBT Law establishes a procedure for determining asset tax payable through December 2007, which can be recovered as of 2008.

3) Corporate income tax rate

a) The corporate income tax rate for 2006 was 29%. For 2007 and 2008, the income tax rate is 28% and will continue to be so, provided no change in the rate is legislated.

4) At December 31, 2008, the balance of the Company's Restated contributed capital account (CUCA) and Net tax profit account (CUFIN) (including the effects of the merger) aggregated Ps. 82,565,373 and Ps. 47,387,572, respectively.

As a result of the merger of América Telecom (disappearing company) into América Móvil (surviving company), the Company's CUCA balance decreased by Ps. 21,768,825 and its CUFIN balance increased by Ps. 12,064,275.

5) An analysis of income tax charged to results of operations for the years ended December 31, 2006, 2007 and 2008 is as follows:

	2006	2007	**2008**
In Mexico:			
Current year income tax	Ps. 13,445,810	Ps. 11,096,983	**Ps. 16,358,514**
Deferred income tax	(887,063)	5,250,377	**(361,855)**
Deferred FRBT		117,237	
Asset tax	701,224	1,080,303	
Abroad:			
Current year income tax	2,821,020	5,617,616	**8,594,349**
Deferred income tax	937,153	(708,249)	**(4,702,671)**
Total	Ps. 17,018,144	Ps. 22,454,267	**Ps. 19,888,337**

Since current Mexican 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 included in the income tax expense of the year.

6) Tax credits

The 2007 income tax of Mexican subsidiaries includes a tax credit of Ps. 565,309 resulting from the recovery of asset tax paid in prior years.

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

	Year ended December 31		
	2006	2007	**2008**
Statutory income tax rate in Mexico	29.0%	28.0%	**28.0%**
Effect of non-taxable, non-deductible items:			
Cost of financing	(0.3)	0.4	**3.2**
Asset tax	0.5	(0.4)	
Tax benefit from tax consolidation		(1.0)	
Tax benefit derived from carryforward of tax losses	(0.5)	(1.8)	
Operations of subsidiaries abroad	(1.5)	(0.9)	**(3.2)**
Effect of merger	0.7		
Other	2.2	0.6	**0.1**
Effective tax rate on Mexican operations	30.1	24.9	**28.1**
Operations of subsidiaries abroad	(2.4)	2.7	**(3.3)**
Effective income tax rate before effect derived from the recognition of deferred FRBT	27.7%	27.6%	**24.8%**
Deferred FRBT		0.1	
Effective income tax rate	27.7%	27.7%	**24.8%**

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

		December 31 2007	2008
Deferred tax assets			
Liability provisions	Ps.	(2,645,603)	**(1,697,482)**
Other		(676,260)	**(557,010)**
Deferred income		(1,492,015)	**(1,719,045)**
Tax losses		(17,145,849)	**(1,970,334)**
		(21,959,727)	**(5,943,871)**
Deferred tax liabilities			
Fixed assets		4,433,668	**5,468,840**
Sale and leaseback		971,445	**1,668,061**
Inventories		888,698	**540,716**
Licenses		759,370	**346,387**
Deferred effects of tax consolidation in Mexican subsidiaries		4,101,855	**4,101,855**
Futures agreements with affiliates		3,181,000	**1,893,720**
Royalty advances		1,030,000	**1,630,000**
Other		647,459	**3,418,061**
		16,013,495	**19,067,640**
Less: Valuation allowance		18,325,339	**1,497,306**
Deferred FRBT		117,237	
Total deferred taxes	Ps.	12,496,344	**14,621,075**

The Company decreased the valuation allowance from 2007 to 2008 in view of the positive tax results in Brazil over last three years and the probability of its generating taxable income in upcoming years.

9) The deferred tax asset of Ps. 3,395,396 and Ps. 9,296,366 shown in the balance sheet at December 31, 2007 and 2008 refers to TracFone's, Enitel's, and Brazil's partial reversal of their valuation allowances (for tax loss carryforwards) as a result of both the partial realization of such assets and the evaluation of the adequacy of the reserve.

Also:

- In 2007, the deferred tax asset in Puerto Rico is included and derives from the income tax benefit this subsidiary will enjoy upon settling its labor obligations. Deferred taxes also include an account receivable arising from differences in the book and tax values of plant and equipment of Comcel in Colombia.
- In 2008, deferred tax assets include Ps. 4,428,593 from the Brazilian subsidiaries, due to the fact that certain conditions arose that provide certainty as to the realization of tax benefits from tax loss carryforwards and other tax benefits.

An analysis of the effect of temporary differences giving rise to the net deferred tax asset at December 31, 2007 and 2008 is as follows:

		December 31 2007	2008
Deferred tax assets			
Accrued liabilities	Ps.	(1,020,968)	**(3,630,658)**
Other		(755,204)	**(1,386,356)**
Deferred revenues			**(46,308)**
Tax losses		(299,224)	**(2,331,343)**
		(2,075,396)	**(7,394,665)**
Deferred tax liabilities			
Fixed assets		(1,330,956)	**(771,771)**
Sale and leaseback			**41,424**
Licenses			**110,803**
Goodwill			**(1,378,024)**
Other		(50,807)	**18,779**
		(1,381,763)	**(1,978,789)**
Less: Valuation allowance		61,763	**77,087**
Total deferred tax asset, net	Ps.	(3,395,396)	**(9,296,367)**

10) The Flat-Rate Business Tax (FRBT) Law was published on October 1, 2007. This Law became effective as of January 1, 2008 and abolished the Asset Tax Law.

Current-year FRBT is computed by applying the 17.5% rate (16.5% for 2008 and 17% for 2009) to income determined on the basis of cash flows, net of authorized credits.

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

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

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

On the basis of the financial projections for the next four years and future retrospective computations of historical results, the Company considers that most of its subsidiaries will essentially pay income tax, since the Mexican subsidiaries have historically generated income tax and as a result of the immediate deduction of fixed assets acquired for FRBT purposes, income tax in most of the Mexican subsidiaries will be greater than FRBT.

The deferred FRBT shown in 2007 basically corresponds to the effect of inventories of a subsidiary that historically had asset tax payable.

b) Subsidiaries abroad

1) Net income

The foreign subsidiaries determine their income tax based on the individual results of each subsidiary and in conformity with the specific tax regime of each country. An analysis of the aggregate pretax income and aggregate tax provisions of these subsidiaries in 2006, 2007 and 2008 is as follows:

	December 31		
Item	2006	2007	2008
Aggregate pretax income	Ps. 13,793,495	Ps. 22,894,721	**Ps. 21,354,353**
Aggregate tax provisions, including deferred taxes	3,758,173	4,909,367	**3,891,678**

2) Tax losses

At December 31, 2008, América Móvil's foreign subsidiaries have available tax loss carryforwards as follows:

Country	Available tax loss carryforward in millions of pesos at December 31, 2008	Future tax benefit
Brazil	**Ps. 68,708,929**	**2,319,024**
USA	**35,200**	**12,320**
Chile	**9,713,349**	**1,651,269**
Peru	**1,014,971**	**304,491**
Nicaragua	**48,578**	**14,573**
Total	**Ps. 79,521,027**	**4,301,677**

The rules for tax loss carryforwards in the different countries in which the Company operates are as follows:

i) In Brazil there is no limit on the carryforward of tax losses; however, the carryforward in each year may not exceed 30% of the tax base for such year, so that in the year on which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate rate.

ii) In Chile, the carryforward of tax losses has no expiration. The corporate tax rate is 17%; therefore, at the time tax losses are incurred taxpayers may enjoy a maximum 17% benefit of the amount of the loss.

iii) In the U.S. and specifically in the State of Florida, which is where the Company resides, tax losses may be carried forward in the succeeding 20 years. The Company expects to carry forward its tax losses in 2009.

iv) In Peru, the Company entered into a tax stabilization agreement, which establishes among other points, that the Company's tax losses must be carried forward in the following four years, commencing in 2006.

20 Segments

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

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

	Mexico [(1)]	Brazil	Mercosur [(2)]	Colombia
December 31, 2006				
Operating revenues	123,716,280	41,048,901	20,602,621	22,252,805
Depreciation and amortization	7,406,510	9,842,334	2,016,063	3,066,968
Operating income	50,195,453	(4,315,683)	1,355,055	4,766,373
Accrued interest payable	8,865,921	807,356	696,225	483,854
Segment assets	518,011,543	79,329,224	27,480,423	33,059,868
Plant, property and equipment, net	33,968,508	35,885,393	16,065,975	20,379,915
Trademarks, net	–	–	608,190	3,327,615
Licenses, net	–	2,765,771	1,040,011	1,337,500
Licencias, neto	5,486,695	22,482,800	1,711,088	2,886,105
December 31, 2007				
Operating revenues	144,895,069	58,304,614	27,236,872	29,614,027
Depreciation and amortization	7,661,902	13,970,397	2,664,336	6,841,611
Operating income	59,160,330	607,980	2,690,863	7,616,334
Accrued interest payable	6,804,449	1,012,354	728,647	575,174
Segment assets	571,661,701	95,359,385	32,281,803	40,697,444
Plant, property and equipment, net	32,390,036	42,547,172	19,112,976	20,474,373
Goodwill, net	–	–	588,636	3,715,153
Trademarks, net	–	2,209,526	978,550	1,124,645
Licencias, neto	4,989,973	23,284,334	1,686,476	2,455,911
December 31, 2008				
Operating revenues	**166,582,112**	**70,484,150**	**30,541,276**	**32,621,989**
Depreciation and amortization	**9,164,283**	**15,101,006**	**3,043,500**	**4,223,926**
Operating income	**60,911,024**	**1,584,203**	**5,701,590**	**10,955,186**
Accrued interest payable	**8,880,448**	**1,125,054**	**533,162**	**599,818**
Segment assets	**729,196,475**	**104,288,579**	**42,051,725**	**53,014,276**
Plant, property and equipment, net	**40,100,016**	**47,003,912**	**23,942,465**	**23,591,639**
Goodwill, net			**575,985**	**4,156,145**
Trademarks, net		**1,753,208**	**847,843**	**960,133**
Licenses, net	**4,496,065**	**24,987,341**	**1,617,912**	**2,313,178**

(1) Mexico includes Telcel and corporate operations and assets

(2) Mercosur includes Argentina, Chile, Paraguay and Uruguay

(3) Andean includes Ecuador and Peru.

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

(5) Excludes Puerto Rico

(6) Caribbean includes Puerto Rico and Jamaica

21 Subsequent Events

On March 17, 2009, the board of directors resolved to submit a proposal for consideration at the annual shareholders' meeting that will be held on or before April 30, 2009. The proposal is for the distribution of a cash dividend to be paid in a single payment from the Net tax profit account (CUFIN) at $ 0.30 pesos (thirty Mexican cents) per each Series "AA", "A", and "L" share (including the preferential dividend for Series "L" shares). The proposal also includes a recommendation to increase the authorized amount available for the repurchase of the Company's own shares by Ps. 20,000,000, in conformity with Article 56 of the Securities Trading Act.

	Andean [3]	Central America [4]	U.S.A.	Caribbean [5]	Dominican Republic	Eliminations	Consolidated total
	12,865,551	17,115,907	14,747,812	–	986,218	(10,331,230)	243,004,865
	1,656,420	3,548,013	247,530	–	99,911	–	27,883,749
	2,794,049	5,105,572	758,790	–	282,029	92,542	61,034,180
	178,946	186,239	1,681	–	–	(1,762,677)	9,457,545
	17,667,288	35,337,595	6,573,031	–	17,286,439	(406,420,167)	328,325,244
	8,438,546	18,750,751	522,686	–	9,078,181	–	143,089,955
	3,587,549	4,990,918	781,201	–	13,412,946	–	26,708,419
	264	776,228	–	–	214,203	–	6,133,977
	1,255,176	883,167	–	–	–	–	34,705,031
	16,210,004	16,917,573	15,603,705	9,779,538	10,990,058	(17,971,698)	311,579,762
	1,930,027	3,837,280	282,504	1,982,504	1,235,457		40,406,018
	3,724,817	4,697,885	1,503,392	1,331,978	3,945,926	(85,167)	85,194,338
	208,798	185,594		212,407	64	(2,030,520)	7,696,967
	21,629,821	34,747,392	6,710,313	20,095,070	33,059,612	(507,121,226)	349,121,315
	9,549,744	20,512,204	571,199	12,660,352	9,265,850	–	167,083,906
	3,474,354	5,006,284	781,201	17,649,531	13,509,713	–	44,724,872
	195	671,561	–	328,495	288,182	–	5,601,154
	1,437,380	1,118,672	–	1,591,558	–	–	36,564,304
	20,217,826	**16,051,352**	**16,545,768**	**12,883,853**	**11,240,768**	**(31,514,186)**	**345,654,908**
	1,862,316	**4,216,982**	**312,134**	**2,490,675**	**1,352,487**		**41,767,309**
	5,284,123	**3,029,184**	**943,099**	**1,611,954**	**3,373,114**	**2,152,670**	**95,546,147**
	289,439	**340,366**	**179**	**113,273**	**52**	**(2,931,229)**	**8,950,562**
	35,066,903	**49,132,087**	**9,993,465**	**27,838,108**	**39,816,155**	**(654,942,303)**	**435,455,470**
	13,075,185	**30,050,944**	**684,644**	**17,871,323**	**13,576,692**		**209,896,820**
	3,843,755	**4,657,139**	**781,201**	**17,614,553**	**13,067,503**		**44,696,281**
	141	**697,252**		**400,742**	**351,220**		**5,010,539**
	5,431,289	**2,354,183**		**1,899,017**			**43,098,985**

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SMS – Short Message Service.

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

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

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

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

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

SHAREHOLDER INFORMATION

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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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1-888-BNY-ADRs
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A Member Practice of
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