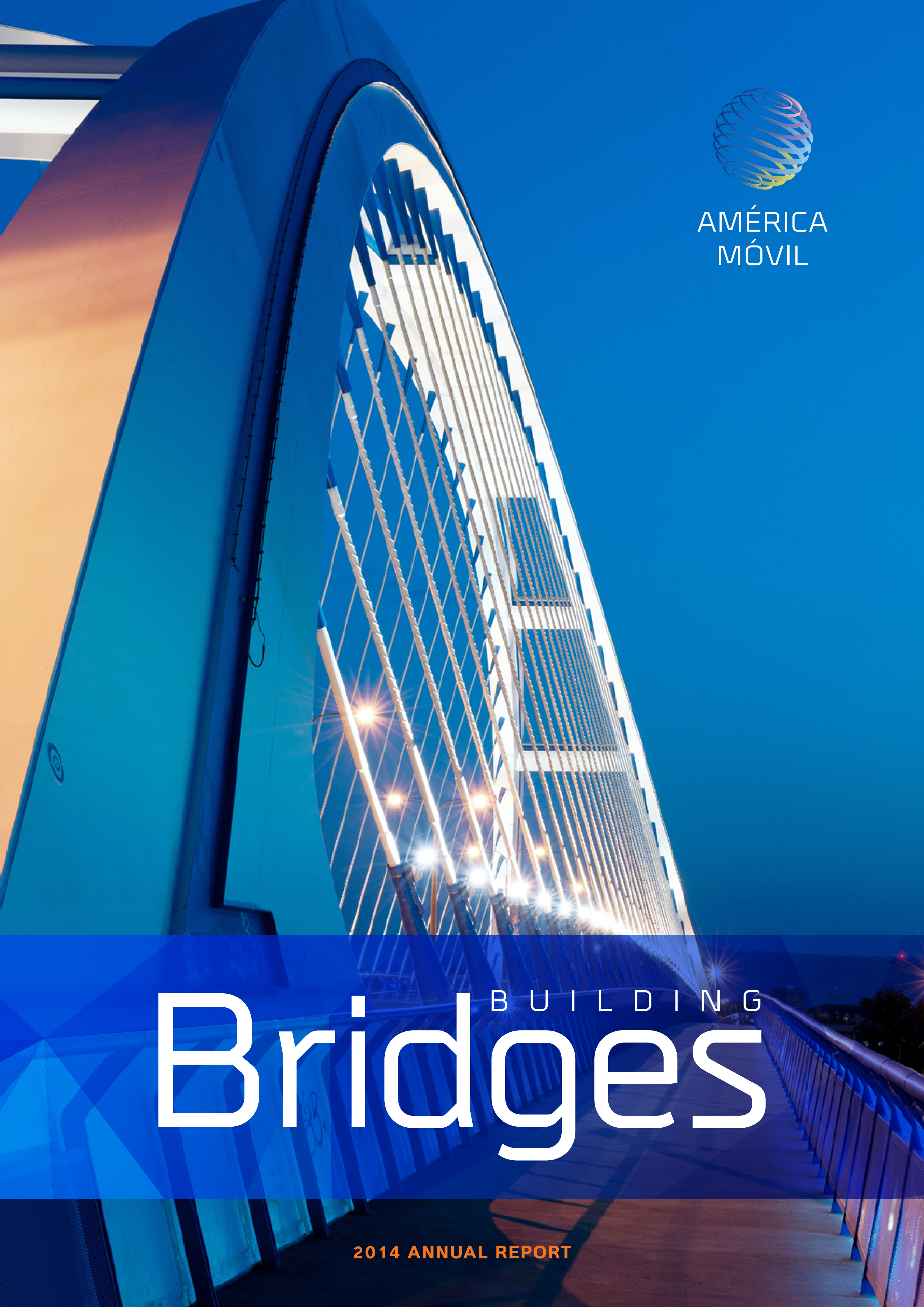


AMÉRICA MÓVIL

BUILDING Bridges

2014 ANNUAL REPORT

CONTENTS

Throughout history, the greatest bridges built by man have required the combination of vision, effort, perseverance, knowledge, creativity and audacity, but above all, the conviction that it is possible to build them- through years of investments in its planning, design and execution- and the certainty that its benefits will be for the long-term.

With the same conviction, at América Móvil we are investing to build the foundation of what will be a broad and efficient infrastructure to provide, voice, data and video; a bridge that will connect the regions that we serve with more coverage, capacity and speed, which will allow our clients to carry out their activities in a more productive and efficient manner. These bridges will provide the infrastructure that Latin America needs for its development for the next 20 or 30 years and will be fundamental to increase productivity in the region.

Building

the data platform of the future

Capex 2011-2014

40
billion dollars

AMX1
Submarine Cable

Began operations in October 2014

At full capacity the cable can carry:

- 846 million simultaneous calls
- Transfer 53 million images per second
- Download 2.2 million songs per second

480,000
Km of Fiber Optic Network

63% more than in 2010

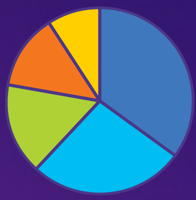
These investments will allow us to have one of the most advanced telecom platforms in the world. In the end, we will have built bridges that will more efficiently integrate the regions where we operate with the rest of the world and meet the growing telecommunications demands of a growing number of people.

Integrating

more communities
to modernity

Service Revenue Breakdown

- Wireless Voice 35%
- Wireless Data 27%
- Fixed Voice 16%
- Fixed Data 13%
- Pay TV 9%

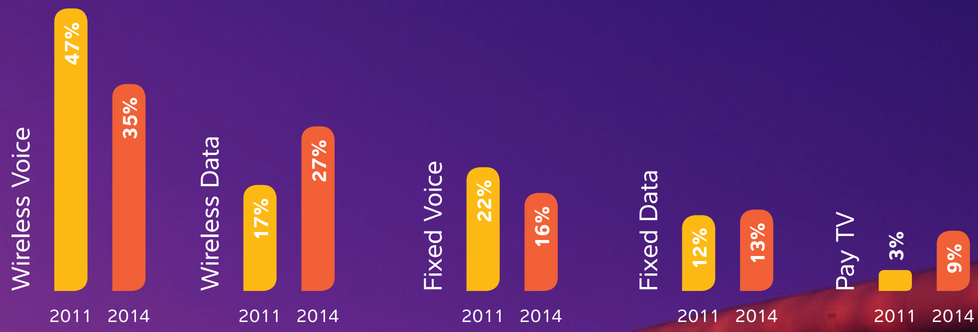


+13.3%

YoY Growth of
Wireless Data Revenue

Share of Business Line of Service Revenue

- 2011
- 2014



Voice Revenue in 2011 were about **70%** of service revenues; today they are barely half of them.

Telecommunications are bridges that contribute to economic progress, improvement in education, business development and greater social inclusion.

We see global telcos with a tendency toward integration between wireline and wireless networks. The infrastructure that we are implementing optimizes constant innovation that has triggered the increase in the use of our services through devices that are becoming more accessible to low income segments and paves the way for the expected growth in the coming years. Our deployment of networks in the countries where we operate made us come closer to our clients and deliver the best voice quality, data speed, broadband and Pay TV services.

Joining

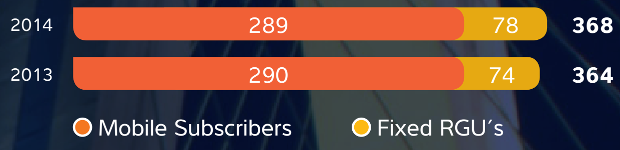
vision and commitment

Revenues in 2014 totaled

66.5

billion dollars

Total Accesses
millions



21%

Of our wireless base is postpaid

12%

Growth in Pay-TV revenues

Throughout its history, América Móvil has been joining its vision and commitment to provide our clients with state-of-the-art products and services Not every company is eligible or willing to undertake the projects of the magnitude that we have carried out; it is not something that is built every day, or even every year.

What we are building is a continent-wide infrastructure, a vital part without which the future of the region would be limited. To make it happen, it requires a deep knowledge of the industry and a huge commitment, which is evident in the quality that we are delivering to our clients and will continue to evolve.

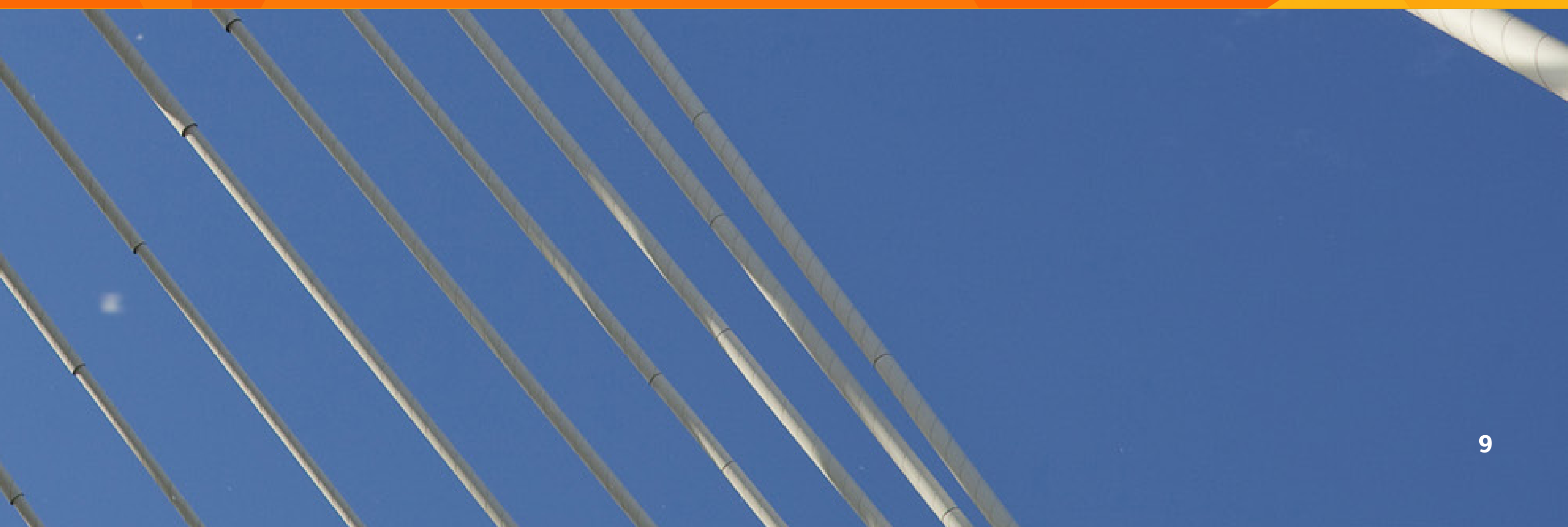
Relevant Financial Data (Pro-Forma)

*Data in millions of Mexican pesos as of Dic 31, 2014 except for earnings per ADR and per share	**2014***	2013*	Var%	Millions of US Dollars 2014
Total Revenues	883,831	858,592	2.9%	66,469
EBITDA**	279,213	276,843	0.9%	20,998
EBITDA Margin	31.6%	32.2%		
Operating Profit	152,342	160,634	-5.2%	11,457
Operating Margin	17.2%	18.7%		
Net Income	47,182	75,217	-37.3%	3,589
Earnings per Share (EPS, pesos)	0.68	1.03	-34.0%	
Earnings per ADR (US dollars)	1.02	1.62	-36.7%	
Total Shareholders´ Equity	224,664	246,948	-9.0%	16,894
Total Assets	1,256,307	1,199,868	4.7%	
Weighted Average Common Shares Outstanding (millions)	69,252.40	72,843.50	-4.9%	
Return on Equity	21.0%	30.5%		

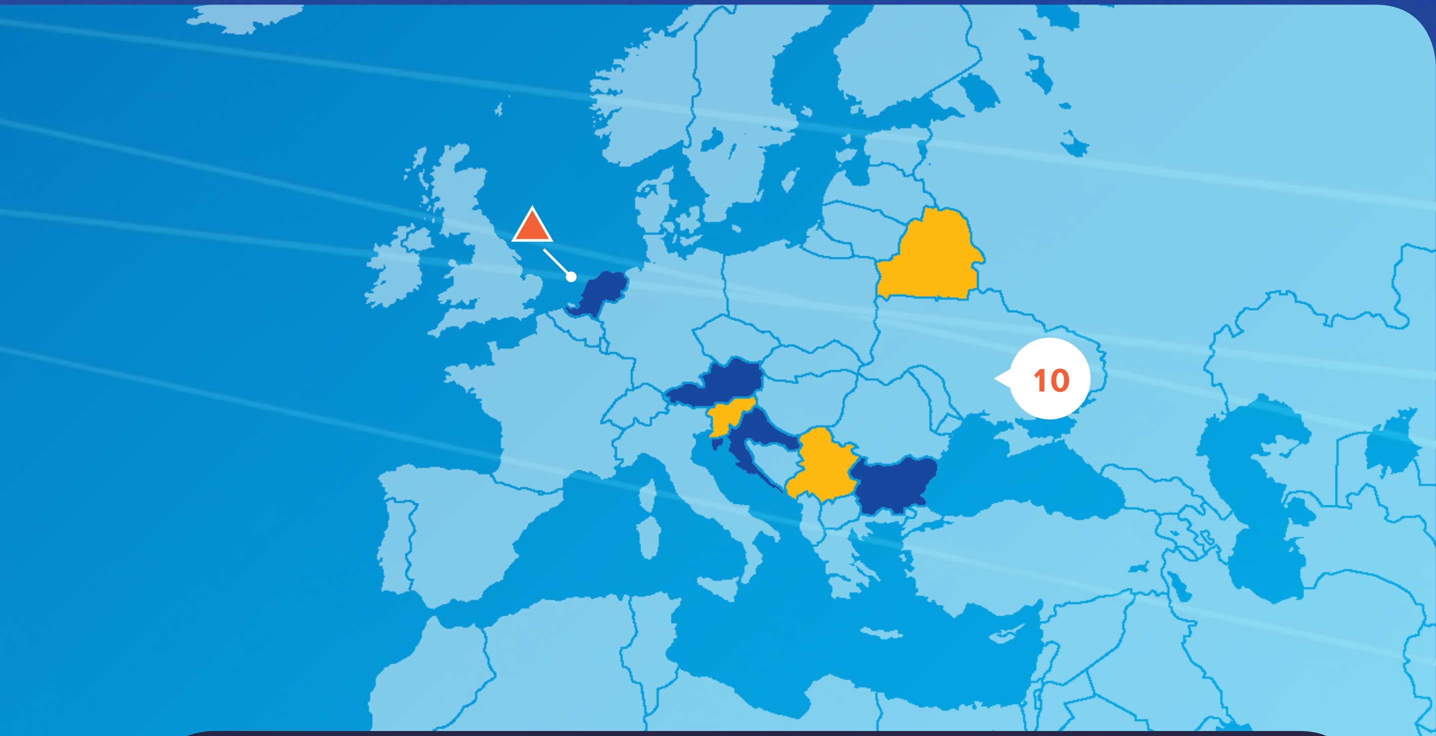
** We determine EBITDA as shown in this reconciliation

	2014*	2013*
Operating Profit	152,342	160,634
Plus		
Depreciation and Amortization	126,871	116,209
EBITDA	279,213	276,843

Note: Amounts translated to US dollars use an average rate of 13.2969 pesos for convenience purposes.



Our Company at a Glance



1 United States (Tracfone)

Licensed Population	319
Wireless Subscribers	26,006
Revenue Generating Units (RGUs)	-
Wireless Penetration	109%

2 Mexico (Telcel,Telmex)

Licensed Population	118
Wireless Subscribers	71,463
Revenue Generating Units (RGUs)	22,250
Wireless Penetration	86%

3 Central America & Caribbean (Claro)

Licensed Population	57
Wireless Subscribers	19,065
Revenue Generating Units (RGUs)	6,953
Wireless Penetration	109%

4 Peru (Claro)

Licensed Population	31
Wireless Subscribers	12,498
Revenue Generating Units (RGUs)	1,233
Wireless Penetration	96%

5 Colombia (Claro)

Licensed Population	48
Wireless Subscribers	29,776
Revenue Generating Units (RGUs)	5,307
Wireless Penetration	152%

6 Ecuador (Claro)

Licensed Population	16
Wireless Subscribers	11,772
Revenue Generating Units (RGUs)	343
Wireless Penetration	114%

7 Argentina, Paraguay & Uruguay (Claro)

Licensed Population	52
Wireless Subscribers	22,000
Revenue Generating Units (RGUs)	595
Wireless Penetration	142%

8 Brazil (Claro)

Licensed Population	203
Wireless Subscribers	71,107
Revenue Generating Units (RGUs)	36,096
Wireless Penetration	141%

9 Chile (Claro)

Licensed Population	18
Wireless Subscribers	5,754
Revenue Generating Units (RGUs)	1,231
Wireless Penetration	148%

10 Austria & Eastern Europe (Telekom Austria)

Licensed Population	41
Wireless Subscribers	20,008
Revenue Generating Units (RGUs)	4,402
Wireless Penetration	155%

*Information at December 31, 2014
Licensed Population in millions
Wireless Subscribers and Revenue Generating Units in thousands

2014 capped a five-year period during which we underwent a major transformation. From being a mostly mobile wireless company we became a fully integrated one in substantially all the countries where we operate. Our capital expenditures soared, enabling us to significantly expand the quality and reach of our networks and thus provide faster data services and new products. We sought new horizons, making sizable investments in Europe including one in a company that we now consolidate.

Our new investments in 2014, following on the ones made in 2012, gave us a majority stake in Telekom Austria and helped us strengthen its finances. We had previously come to terms with the Austrian Government—still a major shareholder and the one controlling the company until May— under a syndicate agreement, which allowed us to consolidate the company in our financial results from the third quarter of the year. Telekom Austria was thus the first operation away from the Americas consolidated in our results.

Letter to our Shareholders

The year also commemorated the 25th anniversary of Telcel, our mobile operation in Mexico, and saw the culmination of the Telecoms Reform in Mexico, our home market. Begun nearly two years earlier, the Reform marked a new beginning for the telecom sector, with the most sweeping regulatory changes since Telmex was privatized in 1991. It helped reshape the sector´s competitive situation, among other things by promoting the establishment of new Mobile Network Virtual Operators (MVNOs) that will seek to find a niche with end users.

The Reform likely will lead to increased levels of investment in the sector which should allow for continued advances in wireless, fixed broadband and PayTV penetration. The advent of new competitors and the rapidly evolving technology present new challenges but also new opportunities.

An Integrated Operator

The rationale behind our becoming an integrated operator back in 2010—which predated by several years similar moves by operators in other markets, particularly in Europe—had to do with the realization that expanding and improving the fixed-line platform was key both to the delivery of faster mobile broadband services to a growing segments of the population, and to our ability to develop new products and services that are likely to be major drivers of growth in the years ahead.

We integrated Telefonos de Mexico (Telmex) and Telmex Internacional, a set of fixed-line companies providing services in seven countries in South America which included the Brazilian entity Embratel, originally acquired by Telmex 10 years ago. And we consolidated our ownership of Net Serviços in Brazil.

Immediately after these acquisitions we embarked on a huge investment program that saw us ramp up by 50% our going capital expenditures to the equivalent of 10 billion dollars per annum. 2014 was the fourth year in what is to be a five-year 50 billion dollars investment effort.

The results have been astounding: our fiber optic networks expanded by nearly two thirds in the period, to 480 thousand kilometers, as we built metropolitan rings and national and regional backbones and set up backhaul lines to our cell sites. The number of our cell sites increased by 85% as we expanded our 3G footprint and deployed new 4G LTE cell sites throughout our operations.

This new fiber-optic based platform has been central to the development of mobile data services, that were the most important driver of revenue growth in 2014, rising 14.6% over the year before at constant exchange rates.

We invested heavily in new residential accesses, with the number of homes-passed tripling in Brazil and doubling in Colombia. Our ability to provide triple play bundles in the region has been a notable catalyst for growth: 70% of new RGUs come from the sale of such bundles that have literally been our beachheads. We have come to represent the number one fixed-broadband operator in several markets and an important one in fixed-voice, which is saying a lot considering that we didn´t have much of a presence in the fixed-line market in South America at the beginning of the period.

As with mobile data services, the new fiber-optic and cable-based fixed line platform was critical for PayTV and fixed-broadband. Revenues derived from those services were up 12.7% and 12.0% at constant exchange rates. The investments made throughout the period were key in allowing us to migrate away from voice services and more towards data services, including PayTV.

But PayTV is more than IpTV or cable. We have significantly strengthened our satellite PayTV capabilities. This year we are launching a new satellite and one more in 2016, in addition to the 2 satellites that we put in orbit in the last two years, taking to 8 our satellites in operation. All the new satellites plus the ones to be launched this year and next are different from original satellites in our fleet, which were only meant to provide long distance service in Brazil; they now have PayTV capabilities and cover all of Latin America, not only Brazil.

In the second half of 2014 our submarine cable began operations. At 85 terabytes per second and 17,500 kms, this is an important investment: with 12 landing points, it links the South American markets with the U.S., and all of them with Mexico and the Caribbean. We have thus ensured that we have ample capacity to support the growth of data services throughout the region in years to come, establishing fiber optic connections all the way from our cell sites to the switches in the various regions and countries in Latin America and, finally, to the U.S.

Financial and Operating Performance

Our operations had a solid performance in 2014, with fixed-line RGUs increasing 6.5% from the year before to 78.4 million RGUS and our postpaid wireless base growing 5.1% to 59.5 million subscribers. Altogether we ended the year with 368 million access lines, having disconnected prepaid clients in various countries as we implemented a common churn policy throughout our operations.

At 884 billion pesos, our operating revenues were up 2.9% year over year in peso terms and 5.3% at constant exchange rates, with an EBITDA margin of 31.6% that was slightly down—approximately half a percentage point—from the prior year.

Our investment program led to the transformation of our infrastructure and ultimately or our revenue structure. Mobile data revenues more than doubled their share of revenues, to 30%, and that of PayTV revenues, almost nil back in 2010, is now nearly 10%. Both business segments were the fastest growing ones in the period whereas voice revenues, which used to represent nearly three quarters of our revenues, today account for just over half of them.

From the outset America Movil has been financially strong. We have taken great care in maintaining a financial position that is sound and that affords us relative certainty in the midst of volatile financial markets. This has enabled us to improve our credit ratings over the years. They now stand among the top ones in the telecom sector globally.

We have paid dividends to our shareholders since our first year of operation. Throughout the last 14 years we maintained a growing dividend per share. In 2014 we paid out dividends and share buybacks in the amount of 52.1 billion pesos and in 2015 shareholder distributions will include also an extraordinary dividend payment: ordinary and extraordinary dividends alone will total 36.6 billion pesos.

America Movil is a strong competitor in its markets. The investments and acquisitions we have made over the years provided us with a telecom infrastructure that has no match in our region of operation. It has been key in allowing us to maintain the preference of our clients and continue to grow our customer base. As was the hard, enthusiastic work from our 191,156 employees and management team distributed in 25 countries throughout the Americas and Europe. We will continue to push ahead moving our company to new products and services and, we expect, to ever-greater levels of customer satisfaction.

Carlos Slim Domit
Chairman of the Board

Daniel Hajj Aboumrad
Chief Executive Officer

América Móvil

We ended 2014 with 367.8 million access lines, 8.4% more than a year before which mostly reflects the consolidation of Telekom Austria that was carried out since July 1, 2014. The organic growth rate of our total access base was 1.2% compared with 2013. Altogether we had 289.4 million wireless subscribers, 34.3 million landlines, 22.6 million broadband accesses and 21.5 million Pay TV units. Brazil is our largest and fastest-growing operation with 107.2 million accesses as of December, which rose 5.7% from the year before.

At December 31st, we had 289.4 million wireless subscribers, practically at the same level compared with the previous year given that throughout the year we disconnected prepaid clients in various countries as we implemented a common churn policy amongst our operations. As for our postpaid base, it increased 5.1% organically to 59.5 million subscribers. Moreover, Brazil and Mexico each account for a fourth of our wireless client base. Additionally, Colombia contributes 10% of our subscribers followed by TracFone in the US with 9%. Altogether, our operations in the Argentinean block represent approximately 8%, while those in Europe and the ones in the Central America-Caribbean block each account for 7%.

At year-end, we had 78.4 million RGUs, 6.5% more than a year before (proforma). It is important to highlight that nearly half of the RGUs—46%—were in Brazil, with Mexico accounting for 28%, Colombia 7%, and both Central America and Europe (Telekom Austria) slightly less than 6%.

In 2014, revenues totaled 66.5 billion dollars; they were 2.9% higher in Mexican peso terms. Mobile data revenues and Pay TV revenues continued to be the most important growth drivers, reflecting increases of 13.3%, and 11.9%, respectively. Mobile voice revenues continued to deteriorate partly on account of regulatory measures.

We generated EBITDA of 21 billion dollars for the full year, which translated into an EBITDA margin of 31.6%.

Throughout the year we funded capital expenditures in the amount of 11.1 billion dollars and distributed 3.9 billion dollars to shareholders. We acquired minority interests and subscribed new equity in the aggregate amount of 775 million dollars.

América Móvil Subsidiaries as of December 2014

Country	Brand	Equity Participation
Mexico	Telcel	100.0%
	Telmex	98.7%
	Sección Amarilla*	98.4%
Argentina	Claro	100.0%
	Telmex	99.7%
Brazil	Claro**	94.9%
Chile	Claro	100.0%
	Telmex*	100.0%
Colombia	Comcel	99.4%
	Telmex	99.3%
Costa Rica	Claro	100.0%
Dominicana	Claro	100.0%
Ecuador	Claro	100.0%
	Telmex *	98.4%
El Salvador	Claro	95.8%
Guatemala	Claro	99.3%
Honduras	Claro	100.0%
Nicaragua	Claro	99.6%
Panama	Claro	100.0%
Paraguay	Claro	100.0%
Peru	Claro	100.0%
Puerto Rico	Claro	100.0%
Uruguay	Claro	100.0%
USA	Tracfone	98.2%
Mexico	Telvista***	89.4%
Holland	KPN	21.4%
Austria	TKA	59.7%

* Equity participation of Telmex Internacional of which América Móvil owns 97.79% and Telmex.
** On December 31, 2014, Embratel and Net merged into Claro of which América Móvil owns 78.23% through Telmex Internacional and 16.70% through Sercotel.
*** América Móvil owns directly 45% and 45% through its subsidiary Telmex.

Mexico

2014 marked the 25th anniversary of Telcel. In 1989 we had an ambitious project to connect Mexico and every Mexican to a mobile communications system: 25 years later, this project exceeded our expectations. Innovation was and still is the key word. We firmly believed that we could develop our own vision of cellular telephony. The massive expansion of cellular telephony through the "Amigo" prepaid system made Telcel a reference in the world. The prepaid system that that we fostered transformed the industry which led to a significant growth in the number of Telcel users. We also developed the Telcel 3G Internet system which led the way where mobile data was going. We launched 4G LTE services in Mexico in November of 2012 and we now reach over 70 million people. At year-end, Telcel served 71.5 million wireless subscribers in Mexico; 25 years ago few people could have forecasted what has happened in telecommunications and also what Telcel has accomplished in this period.

Our postpaid base continued with a positive trend reflecting an increase of 6% year-on-year. On the fixed platform, TELMEX ended the year with 13.1 million fixed lines, including social telephony, and 9.2 million broadband accesses, up almost 3% compared with 2013.

Revenues from our Mexican operations reached 20.9 billion dollars for the full year. They were only up almost 1% in peso terms relative to the prior year due to decreases in voice revenues from our mobile and fixed platforms of 9.6% and 4.5%, respectively

Wireless data revenues were up 14.2% as we continued to increase the penetration of data services throughout the country on the back of a more comprehensive 3G and 4G footprint. As for our fixed data revenues, they were up 9.5% year-on-year.

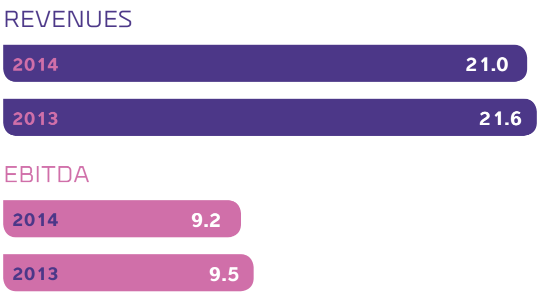
EBITDA for the year totaled 9.2 billion dollars. The increase in EBITDA resulted from the implementation of policies aimed at decreasing operational costs and of a more conservative commercial approach, including a reduced support on the sale of handsets.

In August the new Federal Telecommunications Law took effect. It calls for the elimination of national roaming charges for all operators and asymmetric interconnection rates for Telcel, with Telcel continuing to pay its competitors interconnection charges but not being able to charge them at all for the same service. The economic impact of the measures enacted was offset by the continued expansion of our mobile data services and a reduced support on the sale of handsets on our part relative to what we had been providing in the market for some months.

The Mexican economy observed a moderate rate of growth in 2014. We expect it to be around 2%, but is set to increase in 2015 in spite of falling oil prices and may turn out to be around 50% higher than it was last year. The base is there to support higher growth rates, given the investments by the private sector in energy, petrochemicals, telecoms, infrastructure and housing, among others.

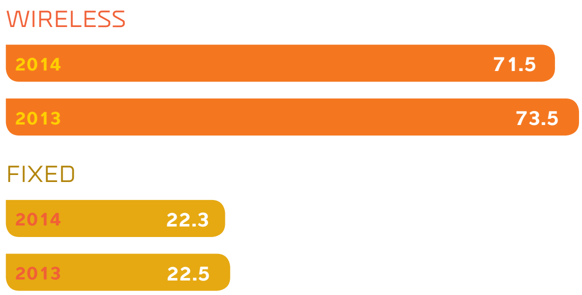
Financial Results

(billion dollars)



Subscribers

(millions)



Brazil

Brazil is our largest and fastest-growing operation with 107.2 million accesses at year-end 2014, up 5.7% from 2013. This figure includes 71.1 million wireless subscribers; up 3.5% year-on-year with the postpaid segment expanding 9.3%. Wireless net additions for the year totaled were 2.4 million of which more than half were postpaid. On the fixed line side, RGUs were up 10.4% to 36.1 million, with the number of PayTV units climbing 10.4%, broadband accesses 13.6% and wirelines 8.7%.

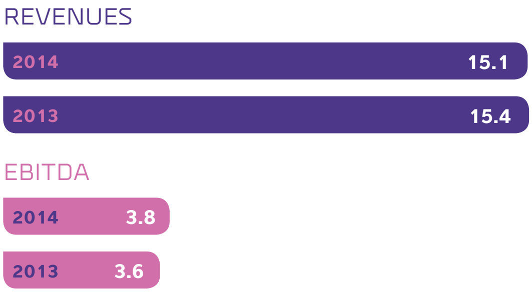
Revenues for the year totaled 15.1 billion dollars, an increase of 7.2% in local currency terms. At local currency terms year-on-year revenues increased 7.2% with service revenues rising 7.2%. Mobile data revenues increased 25.2% and those deriving from fixed data usage were up 14.4%, whereas PayTV revenues rose 16.6%. Voice revenues declined in both platforms.

EBITDA for the full year totaled 3.8 billion dollars, an increase of 14.3% in local currency terms compared with 2013. The EBITDA margin stood at 25.3% of revenues.

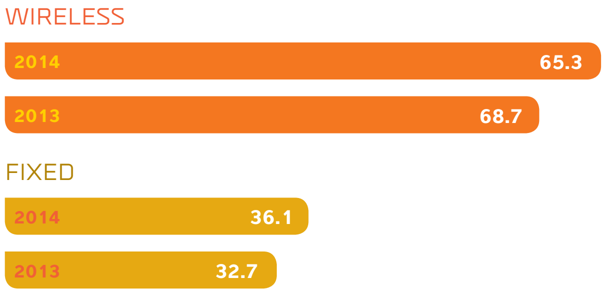
In September 2014, Claro Brazil was granted the use of 20MHz of spectrum na¬tionwide in the 700MHz frequency for a 15-year period. The spectrum will be used in conjunction with our 4G-LTE network. It is important to highlight that we have the broadest 4G-LTE coverage in Brazil. We have opened up our networks to prepaid clients that may now benefit from better and faster value-added services.

Another milestone in 2014 was that acquisition of Embratel 10 years ago. At the time of the acquisition, the company only had a concession for local and long distance communications. Today, Embratel has enhanced its telecommunications services and IT services for SME´s and large corporations, as well as Pay TV services. It is also important to highlight that at the end of 2014, Embratel, Claro and Net Serviços were fully merged into one single entity, Claro S.A. This was a complex project that had to integrate systems and platforms, processes and personnel. This will result in operational efficiencies and greater benefits for our clients.

Financial Results
(billion dollars)



Subscribers
(millions)



Colombia

In Colombia, we ended 2014 with nearly 30 million wireless subscribers, and 5.3 million RGUs, 4.0% more than a year before. The number of fixed lines and broadband accesses increased 16.1% and 18.3%, respectively

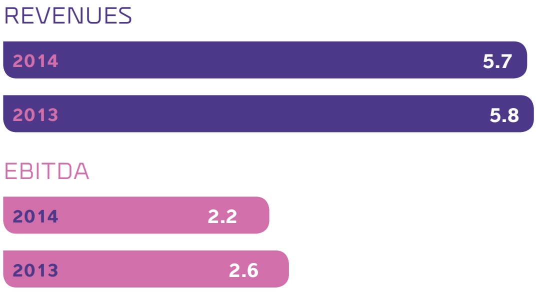
Annual revenues topped 5.7 billion dollars with an increase of 5.2% in local currency terms. Data revenues showed solid improvements growing 5.8% in mobile and 13.3% on fixed data year on year.

PayTV revenues increased 13.4% while fixed voice revenues climbed 4.2 % year-on-year.

EBITDA came in at 2.2 billion dollars and the EBITDA margin for year was 39.0% of revenues.

Financial Results

(billion dollars)



Subscribers

(millions)

Mercosur

Argentina, Paraguay, Uruguay and Chile

Our combined operations ended December with 27.7 million wireless subscribers, slightly down compared with the year before, mainly due to disconnections in our wireless prepaid subscribers in Chile that were not generating traffic. For the fixed platform combined operations grew 6.6% compared to the prior year; during the period.

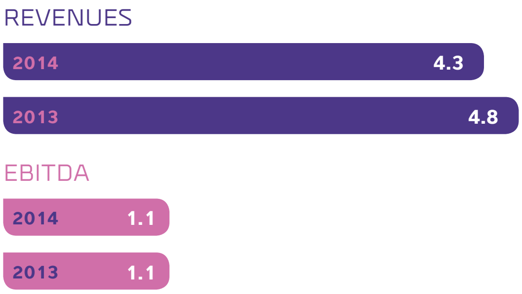
In 2014, revenues reached 4.2 billion dollars, 20.1% more than the previous year in constant currency terms. Data service revenues grew for both platforms, 29.8% for fixed and 33.4% for mobile and PayTV revenues grew 16.2%.

EBITDA for the year came in at 1.1 billion dollars and was equivalent to 25.3% of revenues, 2.3 percentage points more than the prior year.

In Argentina, we were granted the use of 20 MHz of spectrum nationwide in the 1,700 MHz band as well as 30 MHz in the 700 MHz band to provide 4G LTE services in the country. In addition to these, we were also awarded the use of certain blocks of 5 or 10 MHz of spectrum in the 1,800 MHz band to strengthen our 3G offer. Additionally, in Uruguay we completed the deployment of our 4GLTE network.

Financial Results

(billion dollars)



Subscribers

(millions)

Ecuador and Peru

Our wireless subscriber base for Ecuador and Peru ended 2014 with 24.2 million wireless subscribers, 1.6% more than in the same period of the prior year. We added more than 600 thousand new mobile clients in Peru during the year, of which more than half were postpaid. Albeit a strong competition in Peru, we continued to expand our 4G-LTE platform and we now provide 4G services in 9 of the largest cities in the country.

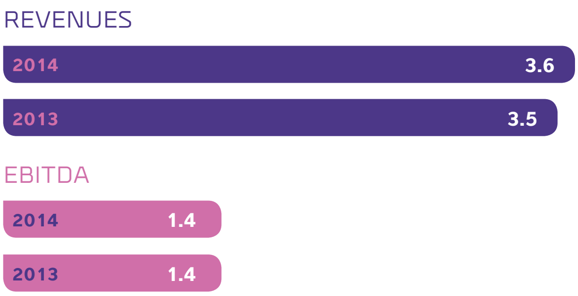
In Ecuador, We continued to invest in the development of a faster and more comprehensive mobile network in Ecuador. This process has allowed us to expand significantly the provi¬sion of internet services throughout the country and particularly in rural areas. This is a very important effort that will enable the country to improve its businesses and advance in the development of better health and education services.

Our revenues totaled 3.6 billion dollars for 2014, 1.8% up from the last year. Data revenues showed solid improvements in both the fixed and the wireless platforms, growing 17.7% in the former and 11.6% in the latter, and with PayTV revenues climbing 29.6%. Wireless voice revenues declined 3.4% relative to the year before .Fixed voice revenues, on the other hand, increased 1.5% year-on-year.

EBITDA came in at 1.4 billion dollars and remained flat compared with last year, due to higher subscriber acquisition and retention costs since there is a more aggressive competitive environment in Peru.

Financial Results

(billion dollars)



Subscribers

(millions)

Central America and the Caribbean

Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Puerto Rico and the Dominican Republic

At the end of 2014 we had 26 million access lines in the Central America-Caribbean block including 19.1 million wireless subscribers, 17.1% less than a year before after the net disconnection of 579 thousand subs in Guatemala in our move to unify standards in the region. In the fixed-line platform we had almost 7 million RGUs, 6.9% more than a year before, with PayTV-units increasing 13.2% and broadband accesses 8.0%.

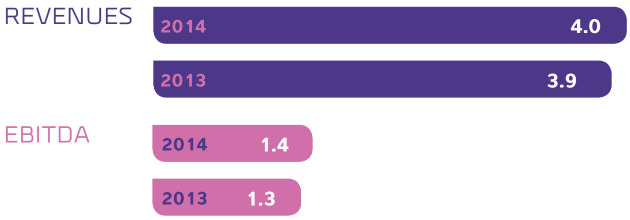
Total revenues for 2014 of 4 billion dollars were up 2.0% from last year. At constant exchange rates service revenues climbed 3.8%, with mobile data revenues growing 10.8% and mobile voice 2.0% over the year. Additionally, Pay TV revenues continued to show a positive trend expanding 20.5% and fixed data services increased 6.0%.

EBITDA increased 5.7% compared with the year before. EBITDA stood at 1.3 billion dollars, with the EBITDA margin at 34.5% as we implemented more stringent cost controls.

In July we launched our 4G-LTE services in the Dominican Republic, covering 35 cities and towns or 60% of the population. Also, in January we were granted in Puerto Rico the use of 10MHz of spectrum in the 1,700MHz band that will enhance our 4GLTE network and increase speed and capacity.

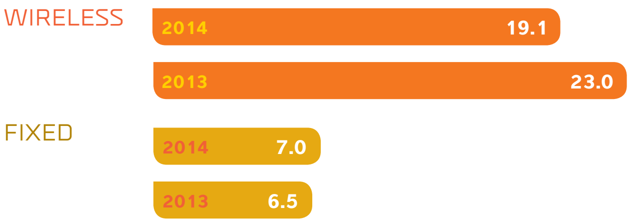
Financial Results

(billion dollars)



Subscribers

(millions)



United States

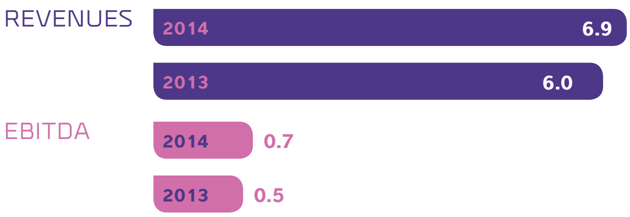
TracFone has strengthened its position as the fifth largest operator in the United States through both, consistent organic growth and targeted acquisitions. During 2014, TracFone added 2.3 million clients bringing the total to 26 million clients, 9.9% more than in 2013.

Revenues at year-end totaled 6.9 billion dollars and were up 13.4%, with service revenues rising 14.7%, as well as data revenue growth of 19.6%

Our EBITDA grew 19.6% in annual terms and totaled 655 million dollars in the period, which represented a 9.6% margin relative to revenues.

Financial Results

(billion dollars)



Subscribers

(millions)

Telekom
Austria Group

Austria, Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovenia

In 2014 we launched a public tender offer to acquire all outstanding shares of Telekom Austria not held by OIÄG. In mid-October America Móvil reached an ownership interest in Telekom Austria to 59.70%. We consolidated Telekom Austria in its financial statements from July 1st, 2014. Additionally, In November 2014, we successfully completed a capital increase for the Telekom Austria Group of one billion euros, to which América Móvil contributed 604 million euros. The capital increase has strengthened Telekom Austria´s financial position and has secured its investment-grade ratings. It was upgraded one notch by S&P to BBB with a stable outlook, while Moody´s confirmed its stable outlook with a rating of Baa2; both rating agencies had downgraded Telekom Austria´s debt in October 2013.

Telekom Austria ended 2014 with 24.4 million access lines, practically flat over the year before; 20 million were wireless subscribers, including 5.4 million in Austria, 4.9 million in Belarus and 4.2 million in Bulgaria.

2014 revenues were down 3.1% from the year-earlier to 5.5 billion dollars, more than half of the revenues originated in the wireless platform.

EBITDA came in at 1.6 billion dollars down 4.8% in local currency terms for the year ended and now represent 28.7% of total revenues.

There is a wide range of market opportunities and invest-ment to be done in Central and Eastern Europe. America Móvil is looking forward to building bridges through integrat-ed platforms. We are very optimistic about our presence in Europe and we believe that we can add value to the compa-ny by continuing with the same strategy that we have been implementing in Latin America

Financial Results

(billion dollars)

Subscribers

(millions)

Board Members

Carlos Slim Domit » Chairman
Born: 1967
Principal Occupation: Chairman of the Board of Directors of Telmex

Patrick Slim Domit » Vice-Chairman
Born:1969
Principal Occupation: Co-Chairman of América Móvil

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

Carlos Slim Helú
Born:1940
Principal Occupation: Chairman of the Board of Minera Frisco S.A.B. de C.V.

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

Carlos Bremer Gutiérrez
Born:1960
Principal Occupation: Chief Executive Officer of Value Grupo Financiero S.A.B. de C.V.

Juan Antonio Pérez Simón
Born: 1941
Principal Occupation: Chairman of the Board and Member of the Executive Committee of Sanborn Hermanos

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

Rafael Moisés Kalach Mizrahi
Born:1946
Principal Occupation: Chairman of the Board and Chief Executive Officer of Grupo Kaltex, S.A. de C.V.

Antonio Cosío Pando
Born: 1968
Principal Occupation: Chief Executive Officer of Grupo Las Brisas and General Manager of Compañía Industrial Tepejí del Río S.A. de C.V.

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

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

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

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

David Ibarra Muñoz
Born: 1930
Principal Occupation: Retired.

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

Directory

América Móvil

Daniel Hajj Aboumrad
Chief Executive Officer

Carlos García Moreno Elizondo
Chief Financial Officer

Oscar Von Hauske Solís
Executive Director Fixed Line Operations

Ángel Alija Guerrero
Executive Director Mobile Operations

Alejandro Cantú Jiménez
General Counsel

Mexico

Telmex

Héctor Slim Seade
Chief Executive Officer

Carlos Robles Miaja
Chief Financial Officer

Telcel

Patricia Raquel Hevia Coto
Chief Operating Officer

Salvador Cortés Gómez
Executive Director of Regional Units

Fernando Ocampo Carapia
Chief Financial Officer

Central America

Juan Antonio Aguilar
Chief Executive Officer

Enrique Luna Roshardt
Chief Financial Officer

Colombia

Juan Carlos Archila Cabal
Chief Executive Officer

Fernando González Apango
Chief Financial Officer

Ecuador

Alfredo Escobar San Lucas
Chief Executive Officer

Marco Antonio Campos García
Chief Financial Officer

Peru

Humberto Chávez López
Chief Executive Officer

Carlos Solano
Chief Financial Officer

Brazil

Jose Antonio Guaraldi Félix
President

José Formoso Martínez
CEO Corporate Market Unit

Daniel Feldman Barros
CEO Residential Market Unit

Carlos Hernán Zenteno de los Santos
CEO Personal Market Unit

Roberto Catalão
Chief Financial Officer

Chile

Mauricio Escobedo
Chief Executive Officer

Alfonso Lara
Chief Financial Officer

Argentina, Uruguay & Paraguay

Julio Carlos Porras
Chief Executive Officer

Daniel De Marco
Chief Financial Officer

Dominican Republic

Oscar Peña Chacón
Chief Executive Officer

Francisco Marmolejo Alcántara
Chief Financial Officer

Puerto Rico

Enrique Ortiz de Montellano Rangel
Chief Executive Officer

Ana María Betancourt
Chief Financial Officer

Panama

Oscar Borda
Chief Executive Officer

Abraham Hernández
Chief Financial Officer

United States

F.J. Pollak
Chief Executive Officer

Gustavo Blanco Villanueva
Chief Financial Officer

Telekom Austria

Alejandro Plater
Chief Executive Officer

Siegfried Mayrhofer
Chief Financial Officer

Consolidated Financial Statements

Year ended December 31, 2014 with Report of Independent Registered Public Accounting Firm.

Contents

Report of independent registered public accounting firm

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

We have audited the accompanying consolidated statements of financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2013 and 2014 and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company´s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2013 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), América Móvil, S.A.B. de C.V. and subsidiaries´ internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated April 29, 2015, expressed an unqualified opinion thereon.

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

C.P.C. Carlos Carrillo Contreras

Mexico City, Mexico

April 29, 2015

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	At December 31, 2013		2014		Millions of U.S. dollars 2014	
Assets						
Current assets:						
Cash and cash equivalents (Note 4)	Ps.	48,163,550	**Ps.**	**66,473,703**	**US$**	**4,516**
Accounts receivable:						
Subscribers, distributors, recoverable taxes and other, net (Note 5)		127,872,657		**145,584,407**		**9,892**
Related parties (Note 6)		1,346,392		**1,320,107**		**90**
Derivative financial instruments (Note 7)		10,469,316		**22,536,056**		**1,531**
Inventories, net (Note 8)		36,718,953		**35,930,282**		**2,441**
Other current assets, net (Note 9)		12,127,200		**16,563,602**		**1,125**
Total current assets		236,698,068		**288,408,157**		**19,595**
Non-current assets:						
Property, plant and equipment, net (Note 10)		501,106,951		**595,596,318**		**40,467**
Intangibles, net (Note 11)		38,220,138		**109,829,650**		**7,462**
Goodwill (Note 11)		92,486,284		**140,903,391**		**9,574**
Investment in associated companies (Note 12)		88,887,024		**49,262,581**		**3,347**
Deferred income taxes (Note 13)		50,853,686		**66,500,539**		**4,518**
Other assets, net (Note 9)		17,340,282		**27,856,033**		**1,893**
Total assets	Ps.	1,025,592,433	**Ps.**	**1,278,356,669**	**US$**	**86,856**
Liabilities and equity						
Current liabilities:						
Short-term debt and current portion of long-term debt (Note 14a)	Ps.	25,841,478	**Ps.**	**57,805,517**	**US$**	**3,928**
Accounts payable (Note 15a)		154,137,312		**191,503,362**		**13,011**
Accrued liabilities (Nota 15b)		36,958,922		**53,968,679**		**3,667**
Taxes payable		22,082,241		**32,554,727**		**2,212**
Derivative financial instruments (Note 7)		5,366,323		**8,527,812**		**579**
Related parties (Note 6)		2,552,337		**3,087,292**		**210**
Deferred revenues (Note 16)		27,016,340		**31,464,235**		**2,138**
Total current liabilities		273,954,953		**378,911,624**		**25,744**
Long-term debt (Note 14a)		464,478,366		**545,949,470**		**37,094**
Deferred income taxes (Note 13)		1,628,409		**17,469,798**		**1,187**
Deferred revenues (Note 16)		1,105,294		**1,330,757**		**90**
Asset retirement obligations (Note 15c)		7,516,460		**13,451,407**		**913**
Employee benefits (Note 17)		66,607,874		**86,604,565**		**5,885**
Total liabilities		815,291,356		**1,043,717,621**		**70,913**
Equity (Note 18):						
Capital stock		96,392,339		**96,382,631**		**6,549**
Retained earnings:						
Prior years		122,693,933		**146,188,038**		**9,933**
Profit for the year		74,624,979		**46,146,370**		**3,135**
Total retained earnings		197,318,912		**192,334,408**		**13,068**
Other comprehensive loss items	(	91,310,640)	**(**	**104,332,763)**	**(**	**7,089)**
Equity attributable to equity holders of the parent		202,400,611		**184,384,276**		**12,528**
Non-controlling interests		7,900,466		**50,254,772**		**3,415**
Total equity		210,301,077		**234,639,048**		**15,943**
Total liabilities and equity	Ps.	1,025,592,433	**Ps.**	**1,278,356,669**	**US$**	**86,856**

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

Consolidated Statements of Comprehensive Income

(In thousands of Mexican pesos, except for earnings per share)		For the year ended December 31					Millions of U.S. dollars, except for earnings per share	
		2012		2013		2014		2014
Operating revenues:								
Mobile voice services	Ps.	287,133,858	Ps.	265,039,903	Ps.	255,606,335	US$	17,367
Fixed voice services		123,778,159		111,785,611		114,687,475		7,792
Mobile data voice services		136,394,772		159,589,580		194,882,905		13,241
Fixed data services		83,628,831		85,039,329		97,533,378		6,627
Paid television		56,520,982		60,829,310		68,378,623		4,646
Sales of equipment, accessories and computers		69,562,903		84,544,261		95,632,868		6,498
Other related services		18,050,140		19,273,027		21,540,236		1,464
		775,069,645		786,101,021		848,261,820		57,635
Operating costs and expenses:								
Cost of sales and services		341,123,833		358,291,177		386,102,139		26,233
Commercial, administrative and general expenses		165,631,457		167,184,570		185,683,205		12,616
Other expenses		3,579,638		4,832,685		4,928,675		335
Depreciation and amortization (Notes 9, 10 and 11)		103,584,737		101,534,833		114,993,551		7,813
		613,919,665		631,843,265		691,707,570		46,997
Operating income		161,149,980		154,257,756		156,554,250		10,638
Interest income (Note 14b)		3,859,086		2,925,834		7,052,271		479
Interest expense (Note 14c)	(	22,267,771)	(	23,950,653)	(	31,522,523)	(	2,142)
Foreign currency exchange (loss) gain, net		7,395,154	(	19,610,465)	(	28,615,459)	(	1,944)
Valuation of derivatives, interest cost from labor obligations and other financial items, net (Note 14d)	(	13,265,019)	(	8,291,535)	(	10,190,261)	(	692)
Equity interest in net income (loss) of associated companies (Note 12)		761,361		36,282	(	6,073,009)	(	413)
Profit before income tax		137,632,791		105,367,219		87,205,269		5,926
Income tax (Note 13)		45,983,452		30,392,731		39,707,549		2,699
Net profit for the year	Ps.	91,649,339	Ps.	74,974,488	Ps.	47,497,720	US$	3,227
Net profit for the year attributable to:								
Equity holders of the parent	Ps.	90,988,570	Ps.	74,624,979	Ps.	46,146,370	US$	3,135
Non-controlling interests		660,769		349,509		1,351,350		92
	Ps.	91,649,339	Ps.	74,974,488	Ps.	47,497,720		3,227
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations	Ps.	1.19	Ps.	1.02	Ps.	0.67	US$	0.05
Other comprehensive loss items:								
Net other comprehensive loss that may be reclassified to profit or loss in subsequent years:								
Effect of translation of foreign entities	Ps. (	33,421,104)	Ps. (	26,888,282)	Ps. (	6,255,715)	US$ (	425)
Effect of fair value of derivatives, net of deferred taxes	(	239,164)	(	740,740)	(	313,572)	(	21)
Items that will not be reclassified to profit or loss in subsequent years:								
Remeasurement of defined benefit plan, net of deferred taxes		2,439,641	(	2,438,039)	(	6,807,975)	(	463)
Total other comprehensive income items for the year, net of deferred taxes	(	31,220,627)	(	30,067,061)	(	13,377,262)	(	909)
Total comprehensive income for the year	Ps.	60,428,712	Ps.	44,907,427	Ps.	34,120,458	US$	2,318
Comprehensive income for the year attributable to:								
Equity holders of the parent	Ps.	60,212,233	Ps.	45,108,504	Ps.	33,404,912	US$	2,270
Non-controlling interests		216,479	(	201,077)		715,546		48
	Ps.	60,428,712	Ps.	44,907,427	Ps.	34,120,458	US$	2,318

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

Consolidated Statements of Changes in Equity

For the years ended December 31, 2012, 2013 and 2014
(In thousands of Mexican pesos)

	Capital stock	Legal reserve
Balance at December 31, 2011	Ps. 96,419,636	Ps. 358,440
Net profit for the year		
Remeasurement of defined benefit plan, net of deferred taxes		
Effect of fair value of derivatives, net of deferred taxes		
Effect of translation of foreign entities		
Comprehensive income for the year		
Dividends		
Repurchase of shares	(4,795)	
Effect of consolidation of NET		
Other acquisitions of non-controlling interests		
Balance at December 31, 2012	96,414,841	358,440
Net profit for the year		
Remeasurement of defined benefit plan, net of deferred taxes		
Effect of fair value of derivatives, net of deferred taxes		
Effect of translation of foreign entities		
Comprehensive income for the year		
Dividends declared		
Repurchase of shares	(22,502)	
Other acquisitions of non-controlling interests		
Balance at December 31, 2013	96,392,339	358,440
Net profit for the year		
Effect of fair value of derivatives, net of deferred taxes		
Remeasurement of defined benefit plan, net of deferred taxes		
Effect of translation of foreign entities		
Comprehensive income for the year		
Dividends declared		
Repurchase of shares	**(9,708)**	
Acquisition of non-controlling interests arising on business combination of Telekom Austria (Note 12)		
Capital stock increase in Telekom Austria (Note 12)		
Other acquisitions of non-controlling interests and others		
Balance at December 31, 2014	**Ps. 96,382,631**	**Ps. 358,440**

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

Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Remeasurement of defined benefit plans	Cumulative Translation adjustment	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Ps. 162,057,644	Ps. (242,583)	Ps. (54,303,442)	Ps. 25,679,215	Ps. 229,968,910	Ps. 6,491,789	Ps. 236,460,699
90,988,570				90,988,570	660,769	91,649,339
		2,377,006		2,377,006	62,635	2,439,641
	(253,428)			(253,428)	14,264	(239,164)
			(32,899,915)	(32,899,915)	(521,189)	(33,421,104)
90,988,570	(253,428)	2,377,006	(32,899,915)	60,212,233	216,479	60,428,712
(15,216,636)				(15,216,636)	(326,620)	(15,543,256)
(18,326,979)				(18,331,774)		(18,331,774)
(155,158)				(155,158)	3,041,699	2,886,541
(8,749,086)		(2,151,018)		(10,900,104)	(152,572)	(11,052,676)
210,598,355	(496,011)	(54,077,454)	(7,220,700)	245,577,471	9,270,775	254,848,246
74,624,979				74,624,979	349,509	74,974,488
		(2,289,811)		(2,289,811)	(148,228)	(2,438,039)
	(741,321)			(741,321)	581	(740,740)
			(26,485,343)	(26,485,343)	(402,939)	(26,888,282)
74,624,979	(741,321)	(2,289,811)	(26,485,343)	45,108,504	(201,077)	44,907,427
(15,872,527)				(15,872,527)	(68,465)	(15,940,992)
(70,923,493)				(70,945,995)		(70,945,995)
(1,466,842)				(1,466,842)	(1,100,767)	(2,567,609)
196,960,472	(1,237,332)	(56,367,265)	(33,706,043)	202,400,611	7,900,466	210,301,077
46,146,370				46,146,370	1,351,350	47,497,720
	(329,112)			(329,112)	15,540	(313,572)
		(6,625,463)		(6,625,463)	(182,512)	(6,807,975)
			(5,786,883)	(5,786,883)	(468,832)	(6,255,715)
46,146,370	**(329,112)**	**(6,625,463)**	**(5,786,883)**	**33,404,912**	**715,546**	**34,120,458**
(16,539,294)				**(16,539,294)**	**(31,356)**	**(16,570,650)**
(34,646,254)				**(34,655,962)**		**(34,655,962)**
	9,751	**45**	**(290,461)**	**(280,665)**	**39,239,141**	**38,958,476**
					7,181,894	**7,181,894**
54,674				**54,674**	**(4,750,919)**	**(4,696,245)**
Ps. 191,975,968	**Ps. (1,556,693)**	**Ps. (62,992,683)**	**Ps. (39,783,387)**	**Ps. 184,384,276**	**Ps. 50,254,772**	**Ps. 234,639,048**

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

	For the year ended December31			
	2012	2013	2014	Millions of U.S dollars, 2014
Operating activities				
Profit before income tax	Ps. 137,632,791	Ps. 105,367,219	Ps. 87,205,269	US$ 5,926
Items not requiring the use of cash:				
Depreciation (Note 10)	92,268,275	94,893,801	107,909,169	7,332
Amortization of intangible and other assets (Note 9 and 11)	11,316,462	6,641,032	7,084,382	481
Equity interest in net income of associated companies (Note 12)	(761,361)	(36,282)	6,073,009	413
Loss on derecognition of equity method investment (Note 12)			3,172,218	216
Loss on sale of property, plant and equipment	112,445	546,939	297,609	20
Net period cost of labor obligations (Note 17)	10,141,672	7,292,839	7,855,714	534
Foreign currency exchange (gain) loss, net	(18,908,099)	10,120,083	36,559,881	2,484
Interest income	(3,859,086)	(2,925,834)	(7,052,271)	(479)
Interest expense	22,267,771	23,950,653	31,522,523	2,142
Employee profit sharing	4,377,755	4,648,304	4,058,158	276
Loss in partial sales of shares of associated company (Note 14d)	795,028	896,956	5,554,612	377
(Gain) loss in valuation of derivative financial instruments, capitalized interest expense and other, net	2,922,679	(5,844,528)	(3,410,626)	(232)
Working capital changes:				
Accounts receivable from subscribers, distributors and other	8,624,782	(12,386,088)	(11,791,213)	(801)
Prepaid expenses	(379,179)	(1,596,241)	7,469,217	507
Related parties	45,575	(628,029)	470,719	32
Inventories	4,104,304	(9,564,979)	2,470,754	168
Other assets	(3,096,301)	(3,081,649)	(7,996,680)	(543)
Employee benefits	(10,649,297)	(13,524,328)	(14,916,385)	(1,013)
Accounts payable and accrued liabilities	(2,764,066)	37,754,976	14,260,208	965
Employee profit sharing paid	(3,354,552)	(4,013,320)	(4,737,467)	(322)
Financial instruments and other	(924,497)	(1,194,640)	(3,984,891)	(271)
Deferred revenues	1,809,425	2,541,976	1,356,453	92
Interest received	2,229,170	2,944,399	4,722,621	321
Income taxes paid	(47,347,341)	(55,013,967)	(33,542,469)	(2,279)
Net cash flows provided by operating activities	206,604,355	187,789,292	240,610,514	16,346
Investing activities				
Purchase of property, plant and equipment (Note 10)	(121,955,947)	(118,416,286)	(126,265,297)	(8,579)
Acquisition of intangibles (Note 11)	(7,830,248)	(3,334,464)	(19,319,656)	(1,313)
Dividends received from associates (Note 12)	571,187	212,394	359,413	25
Proceeds from sale of plant, property and equipment	58,006	44,045	96,781	7
Cash acquired in business combinations (Note 12)	5,378,807			
Acquisition of businesses, net of cash acquired (Note12)	(2,289,018)	(1,730,588)	(11,910,582)	(809)
Partial sale of shares of associated company (Note 12)	–	4,299,360	12,066,037	820
Investments in associate companies (Note 12)	(71,560,918)	(15,366,062)	(2,654,342)	(180)
Net cash flows used in investing activities	(197,628,131)	(134,291,601)	(147,627,646)	(10,029)
Financing activities				
Loans obtained	140,094,584	126,301,382	44,174,698	3,001
Repayment of loans	(97,354,311)	(60,710,863)	(36,683,909)	(2,492)
Interest paid	(21,329,791)	(22,654,119)	(33,283,418)	(2,261)
Repurchase of shares	(17,836,724)	(70,745,785)	(35,049,327)	(2,381)
Dividends paid (Note 18)	(15,384,647)	(15,722,576)	(17,054,829)	(1,159)
Derivative financial instruments	5,003,187	(546,770)	653,116	44
Capital stock increase in Telekom Austria (Note 12)	–	–	7,181,894	488
Acquisition of non-controlling interests	(11,052,674)	(2,567,609)	(4,696,245)	(319)
Net cash flows used in financing activities	(17,860,376)	(46,646,340)	(74,758,020)	(5,079)
Net increase (decrease) in cash and cash equivalents	(8,884,152)	6,851,351	18,224,848	1,238
Adjustment to cash flows due to exchange rate fluctuations, net	(4,752,644)	(4,175,001)	85,305	6
Cash and cash equivalents at beginning of the year	59,123,996	45,487,200	48,163,550	3,272
Cash and cash equivalents at end of the year	Ps. 45,487,200	Ps. 48,163,550	Ps. 66,473,703	US$ 4,516
Non-cash transactions related to:				
Acquisitions of property, plant and equipment in accounts payable at end of year	Ps. 30,461,133	Ps. 15,146,947	Ps. 16,771,745	US$ 1,113

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

Notes to Consolidated Financial Statements

December 31, 2013 and 2014
(In thousands of Mexican pesos [Ps.] and thousands of U.S. dollars [US$], unless otherwise indicated)

1 Description of the business and Relevant Events

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

- The voice services provided by the Company, both wireless and fixed, mainly include the following: airtime, local, domestic and international long-distance services, and network interconnection services.
- The data services provided by the Company include the following: value added, corporate networks, data and Internet services.
- Pay TV represents basic services, as well as pay per view and additional programming and advertising services.
- Equipment, accessories and computer sales
- Other related revenues from advertising in telephone directories, publishing and call center services.

In order to provide these services, América Móvil has licenses, permits and concessions (collectively referred to herein as "licenses") to build, install, operate and exploit public and/or private telecommunications networks and provide miscellaneous telecommunications services (mostly mobile and fixed telephony services), as well as to operate frequency bands in the radio-electric spectrum to be able to provide fixed wireless telephony and to operate frequency bands in the radio-electric spectrum for point-to-point and point-to-multipoint microwave links. The Company holds licenses in the 25 countries where it has a presence, and such licenses have different dates of expiration through 2046.

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

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

The accompanying financial statements were approved for their issuance by the Company's Chief Financial Officer on April 29, 2015, and subsequent events have been considered through that date. They will then be presented for approval by the Company's shareholders on April 30, 2015. Those shareholders have the authority to approve and or otherwise modify the financial statements.

Relevant events

i) On March 21, 2013, the International Olympic Committee ("IOC"), awarded to AMX the right to broadcast the XXII Olympic Winter Games in Sochi, Russia in 2014 and the Games of the XXXI Olympiad in Rio de Janeiro, Brazil in 2016. AMX has acquired broadcast rights on all media platforms across Latin America, except Brazil.

ii) During April 2013, KPN launched a rights offering to raise up to € 3 billion of equity. Pursuant to the Company's agreement with KPN, the Company subscribed for a share in the rights offering in proportion to the Company's previous ownership of the KPN shares. Upon settlement of the offering on May 17, 2013, the Company paid € 895.8 million (Ps.14.2 billion) and owned a total of 1,267,677,000 shares of KPN continuing to represent 29.77% of the then outstanding shares of KPN. As explained in Note 12, the Company has subsequently sold some of its ownership interest in KPN.

iii) On July 29, 2013, the Company terminated the Relationship Agreement dated February 20, 2013 entered into with KPN.

iv) On March 7, 2014, the new Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones, or the "IFT") issued a resolution determining that the Company's operating subsidiaries, including Radiomovil Dipsa, S.A. de C.V. ("Telcel") and Telefonos de Mexico, S.A.B. de C.V. ("Telmex"), as well as other related parties such as Grupo Carso, S.A.B. de C.V. and Grupo Financiero Inbursa, S.A.B. de C.V. are part of an "economic interest group" that is a "preponderant economic agent" in the Mexican telecommunications sector, and imposing certain asymmetric regulation on the Company's Mexican fixed-line and wireless businesses.

v) On April 23, 2014, Österreichische Industrieholding AG ("ÖIAG") entered into a shareholders' agreement, effective June 27, 2014, with AMX, by which the parties have contractually undertaken to jointly pursue a long-term policy with regard to the management of Telekom Austria AG (Telekom Austria), by exercising voting rights on a concerted basis ("Syndicate Agreement"). Furthermore, the Syndicate Agreement contains rules on the uniform exercise of voting rights in the corporate bodies of Telekom Austria, nomination rights for members of the Supervisory and Management Boards and share transfer restrictions. The shareholders agreement and public offer were subject to certain regulatory approvals. Once the conditions were satisfied, AMX obtained operational responsibilities in Telekom Austria and enhanced its role in their supervisory and Management Board resulting in power to direct relevant activities of Telekom Austria.

vi) On May 15, 2014, AMX published a voluntary public takeover offer for all shares of Telekom Austria ("Offer"). On July 17, 2014, at the end of the Offer period, AMX held in total 50.81% of the share capital of Telekom Austria, while ÖIAG continued to hold 28.42%. The Syndicate Agreement currently covers 351.0 million shares of Telekom Austria, which equates to a shareholding of 79.23%. See further disclosures related to the acquisition of Telekom Austria in Note 12.

vii) On July 8, 2014, the Company's Board of Directors approved the implementation of various measures to reduce its national market share in the Mexican telecommunications market to under 50% in order to cease to be a "preponderant economic agent", which are still under the analysis of the Company's management and subject to approval. In addition, it was also resolved that all cellular sites, including towers and related passive infrastructure in Mexico, are to be separated from the Company's Mexican subsidiary Telcel for their corresponding operation and commercialization to all interested parties, subject to certain corporate, regulatory and government approvals. The Company concluded that the conditions required in IFRS 5 "Non-current assets held for sale and discontinued operations" were not been met for such assets to be considered as held for distribution to owners as of December 31, 2014. See Note 23 for subsequent events.

viii) On September 30, 2014, Claro Brasil (a subsidiary of the Company) was granted the use of 20MHz of spectrum nationwide in the 700MHz frequency for a 15-year period through a public auction process. The spectrum will be used in conjunction with our 4G-LTE network. Such licenses were paid and recorded in December 2014 for an amount of Ps.9,662,052.

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

a) Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis, except for the derivative financial instruments (assets and liabilities) and, the trust assets of post-employment and other employee benefit plans.

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

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

i) Basis of consolidation

The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those of the subsidiaries over which the Company exercises control. The financial statements for the subsidiaries were prepared for the same period as the Company, applying consistent accounting policies. All of the companies operate in the telecommunications field or provide services to companies relating to this activity.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee, if and only if, the Company has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii)The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements; and

(iii)The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intercompany balances and transactions are eliminated in the consolidated financial statements.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

(i) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;

(ii) Derecognizes the carrying amount of any non-controlling interests;

(iii) Derecognizes the cumulative translation differences recorded in equity;

(iv) Recognizes the fair value of the consideration received;

(v) Recognizes the fair value of any investment retained;

(vi) Recognizes any surplus or deficit in profit or loss; and

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

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

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

Non-controlling interests refers to certain subsidiaries in which the Company does not hold 100% of the shares.

Acquisitions of non-controlling interests are accounted for as equity transactions. The difference between the book value and the subscription price for acquired shares under common control are accounted for as an equity transaction within retained earnings.

Associates:

Associates are all those entities for which the Company has significant influence over without having control. According to IAS 28, "Investments in Associates", significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence typically exists when an investor holds from 20% to 50% of the voting power of an investee.

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

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

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

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

The equity interest in the most significant subsidiaries and associated companies at December 31, 2013 and 2014, is as follows:

Company name	Country	Equity interest at 2013	December 31 2014
Subsidiaries:			
AMX Tenedora, S.A. de C.V. (a)	Mexico	100.0%	100.0%
Carso Telecom B.V. (formerly Amov Europa B.V.) (a)	Netherlands	100.0%	100.0%
AMOV Canadá, S.A. (a)	Mexico	100.0%	100.0%
Compañía Dominicana de Teléfonos, S.A. ("Codetel") (b)	Dominican Republic	100.0%	100.0%
Sercotel, S.A. de C.V. (a)	Mexico	100.0%	100.0%
Radiomóvil Dipsa, S.A. de C.V. y subsidiarias ("Telcel") (b)	Mexico	100.0%	100.0%
Telecomunicaciones de Puerto Rico, Inc. (b)	Puerto Rico	100.0%	100.0%
Puerto Rico Telephone Company, Inc. (b)	Puerto Rico	100.0%	100.0%
Servicios de Comunicaciones de Honduras, S.A. de C.V. ("Sercom Honduras") (b)	Honduras	100.0%	100.0%
AMX USA Holding, S.A. de C.V. (a)	Mexico	100.0%	100.0%
TracFone Wireless, Inc. ("TracFone") (b)	USA	98.2%	98.2%
AM Telecom Américas, S.A. de C.V. (a)	Mexico	100.0%	100.0%
Claro Telecom Participacoes, S.A. (Claro Brasil) (a)	Brazil	100.0%	100.0%
Americel, S.A. (b)	Brazil	100.0%	100.0%
Claro S.A. (before BCP, S.A.) (b)	Brazil	100.0%	96.2%
América Central Tel, S.A. de C.V. ("ACT") (b)	Mexico	100.0%	100.0%
Telecomunicaciones de Guatemala, S.A. ("Telgua") (b)	Guatemala	99.3%	99.3%
Empresa Nicaragüense de Telecomunicaciones, S.A. ("Enitel") (b)	Nicaragua	99.5%	99.6%
Estesa Holding Corp. (a)	Panama	100.0%	100.0%
Cablenet, S.A. (b)	Nicaragua	100.0%	100.0%
Estaciones Terrenas de Satélite, S.A. ("Estesa") (b)	Nicaragua	100.0%	100.0%
AMX El Salvador, S.A de C.V. (b)	Mexico	100.0%	100.0%
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. ("CTE") (b)	El Salvador	95.8%	95.8%
Cablenet, S.A. ("Cablenet") (b)	Guatemala	95.8%	95.8%
Telecomoda, S.A. de C.V. ("Telecomoda") (b)	El Salvador	95.8%	95.8%
Telecom Publicar Directorios, S.A. de C.V. ("Publicom") (c)	El Salvador	48.9%	48.8%
CTE Telecom Personal, S.A. de C.V. ("Personal") (b)	El Salvador	95.8%	95.8%
Comunicación Celular, S.A. ("Comcel") (b)	Colombia	99.4%	99.4%
Telmex Colombia, S.A. (b)	Colombia	99.3%	99.3%
Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel") (b)	Ecuador	100.0%	100.0%
AMX Argentina, S.A. (b)	Argentina	100.0%	100.0%
AMX Wellington Gardens, S.A. de C.V. (a)	Mexico	100.0%	100.0%
Widcombe, S.A. de C.V. (a)	Mexico	100.0%	100.0%
AMX Paraguay, S.A. (b)	Paraguay	100.0%	100.0%
AM Wireless Uruguay, S.A. (b)	Uruguay	100.0%	100.0%
Claro Chile, S.A. (b)	Chile	100.0%	100.0%
América Móvil Perú, S.A.C (b)	Peru	100.0%	100.0%
Claro Panamá, S.A. (b)	Panama	100.0%	100.0%
Carso Global Telecom, S.A.B. de C.V. (a)	Mexico	99.9%	99.9%
Empresas y Controles en Comunicaciones, S.A. de C.V. (a)	Mexico	99.9%	99.9%
Teléfonos de México, S.A.B. de C.V. (b) (2)	Mexico	97.7%	98.7%
Telmex Internacional, S.A. de C.V. (b)	Mexico	97.7%	97.8%
Empresa de Servicios y Soporte Integral GC, S.A.P.I. de C.V.	Mexico	97.7%	98.7%
Controladora de Servicios de Telecomunicaciones, S.A. de C.V. (b)	Mexico	97.7%	98.4%
Telmex Argentina, S.A. (b)	Argentina	99.6%	99.7%
Ertach, S.A. (b)	Argentina	99.5%	99.8%
Telstar, S.A. (b)	Uruguay	99.9%	99.9%
Ecuador Telecom, S.A. (b)	Ecuador	97.7%	98.4%
Empresa Brasileira de Telecomunicacoes, S.A. – ("Embratel") (b) (1)	Brazil	95.7%	–
Páginas Telmex Colombia, S.A. (c)	Colombia	97.7%	–
Claro 155, S.A. (c)	Chile	97.7%	–
Claro 110, S.A. (c)	Chile	99.9%	99.9%
Sección Amarilla USA, LLC. (c)	USA	97.7%	98.4%
Publicidad y Contenido Editorial, S.A. de C.V. (c)	Mexico	97.7%	98.4%
Editorial Contenido, S.A. de C.V. (c)	Mexico	97.7%	98.4%
Plaza VIP COM, S.A.P.I. de C.V. (c)	Mexico	97.7%	98.4%
Grupo Telvista, S.A. de C.V. (c)	Mexico	88.9%	89.4%
Net Servicios de Comunicacaos, S.A. ("NET") (b) (1)	Brazil	92.2%	–
Telekom Austria AG (b)	Austria	–	59.7%
Associates:			
Hitss Solutions (c)	Mexico	35.0%	35.6%
KoninKlijke KPN B.V. ("KPN") (b)	Netherlands	27.4%	21.4%
Telekom Austria AG (b) (2)	Austria	23.7%	–

a) Holding companies
b) Operating companies of mobile and fixed services
c) Advertising, media, content companies and/or other businesses
1) On December 31, 2014 these entities were merged in Claro Brasil.
2) See Note 12 for further details on its consolidation.

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

The operating revenues of foreign subsidiaries (those outside of Mexico) jointly represent approximately 63%, 65% and 66% of operating revenues of 2012, 2013 and 2014, respectively, and their total assets jointly represent approximately 70% and 78% of total assets at December 31, 2013 and 2014, respectively.

The financial statements have been converted to IFRS in the respective local currency and translated into the reporting currency.

None of the Company´s subsidiaries, with the except of Belarus (See Note 2o), operate in a hyperinflationary economic environment and the local currency is their functional currency, the translation of their financial statements prepared under IFRS and denominated in their respective local currencies, are translated as follows:

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

The difference resulting from the translation process is recognized in equity in the caption "Effect of translation". At December 31, 2013 and 2014, the cumulative translation loss was Ps.(33,706,043) and Ps.(39,783,387), respectively.

b) Revenue recognition

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

For postpaid plans, the amount billed to clients combines a fixed tariff for a specific quantity of services, plus the rates for the use above the specified quantities (minutes included in each plan). Costs related to these services are recognized when the service is rendered.

The Company divides its main services into seven types as presented in the consolidated statements comprehensive income, as follows:

- Mobile voice
- Mobile data
- Fixed voice
- Fixed data
- Pay TV
- Sales of equipment, accessories and computers
- Other related services

To recognize the multi-elements or multiple services at its fair value, the Company has established the necessary indicators and metrics that allows it to assign to each type of element its fair value. In multi-elements plans, these indicators are based on the price offered in each package, considering the offered minutes and data plans offered to the subscribers.

Voice services

- Monthly rent in post-paid plans is billed based on the associated plan and package rates, corresponding to when the services are provided. Revenues billed for services to be rendered in the future are initially recorded as deferred revenues.
- Revenues from local services are derived from charges for line installations, monthly rent for services and monthly charges for metered services based on the number of minutes. These revenues depend on the number of lines in service, the number of newly installed lines and volume of minutes.
- Revenues for interconnection services, which represent calls from other carriers entering the Company´s mobile and fixed line networks (incoming interconnection services), are recognized at the time the service is provided. Such services are invoiced based on the rates previously agreed with other carriers.
- Long-distance revenues originate from airtime or minutes used in making calls in a region or coverage areas outside of the area where the customer´s service is activated. These revenues are recognized at the time the service is provided.
- Revenues from roaming charges are related to airtime charged to customers for making or receiving calls when visiting a local service area, country or region outside the local service area where the customer´s service is activated. The related revenues are recognized at the time the service is provided based on the rates established and agreed upon by our subsidiaries with other domestic and international mobile carriers. See Note 1 on relevant events on new regulation.

Data

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

Pay television

- Revenues from pay TV include payments for package deals, pay-per-view and advertising, all of which are recognized at the time the services are provided.

Sales of equipment, accessories and computers

- Sales of mobile phone equipment, accessories and computers, which are made to authorized distributors and the general public, are recognized as revenue at the time the products are delivered and accepted by the customer and the recovery of the amounts is probable. The distributors and general public do not have the right to return the products.

  The majority of equipment sales are performed though distributors, though not exclusively, as a portion of these equipment sales is performed through client service centers.

Other related services

Transmission rights

- Transmission rights include exclusive rights for the transmission of the Winter Olympic Games and the Rio de Janeiro Olympics for 2016. The related costs and expenses (amortization of its investment) are recognized when the associated revenue is recognized.

Marketing revenues

- Advertising revenues earned through the publication of the telephone directory are recognized over the life of the directories.

Points programs

Points programs offer by some subsidiaries are initially recognized as deferred revenue. Upon redemption of points, the deferred revenue is cancelled and the revenue is recognized along with the cost of equipment ..

c) Cost of mobile equipment and computers

The cost of mobile equipment and computers is recognized at the time the related revenue is recognized. The costs relating to the sale of such equipment is recognized in cost of sales and services. The cost is deferred as part of other assets. See Note 9.

d) Cost of services

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

Last mile installation costs and decoder-related charges are capitalized at the time of installation and depreciated over the average useful life as the customer remains active in the Company.

- Commissions to distributors

Distribution agreements have three types of commissions related to postpaid plans.

Loyalty and activation commissions are accrued monthly as an expense based on statistical information about customer retention, sales volume and the number of new customers obtained by each distributor. Retention commissions are paid when customers continue for a specified period. Volume commissions are paid at the time the distributor reaches prescribed ranges of activated clients.

In all three cases the fees are recognized within commercial, administrative and general expenses, as these fees are not reflected in the price of services and products.

e) Cash and cash equivalents

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

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

f) Allowance for bad debts

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

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

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

g) Inventories

Inventories, which are mainly composed of cellular equipment, accessories, tablets and other devices, are initially recognized at historical cost and are valued using the average cost method, without exceeding their net realizable value.

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

The difference between the sales price to the end user and the subsidized cost of equipment is recognized as an expense in the "cost of sales and service" in the consolidated statements of comprehensive income, at the time of delivery, consequently, the cost of equipment includes the corresponding adjustments of its net realizable value.

h) Business combinations and goodwill

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

(i) Identify the acquirer

(ii) Determine the acquisition date

(iii)Value the acquired identifiable assets and assumed liabilities

(iv)Recognize the goodwill or a bargain purchase gain

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

Acquisition-related cost is accounted for as an expense in the "other expenses" caption in the consolidated statements of comprehensive income as they are incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstance and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss in the "Other expenses" caption in the consolidated statements of comprehensive income.

Goodwill is initially measured as the excess of the aggregate of the fair value of the consideration transferred plus any non-controlling interest in the acquiree over the net value of the identifiable assets acquired and liabilities assumed as of the acquisition date.

If the consideration paid is less than the fair value of the net assets of the acquired company, (in the case of a bargain purchase), the difference is recognized in the consolidated statements of comprehensive income.

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

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

For the years ended December 31, 2012, 2013 and 2014, no impairment losses were recognized for the goodwill shown in the Company's consolidated statements of financial position.

i) Property, plant and equipment

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

Borrowing costs that are incurred for general financing for construction in progress for periods exceeding six months are capitalized as part of the cost of the asset. During 2012, 2013 and 2014 the borrowing costs that were capitalized amounted to Ps.3,152,811, Ps.3,002,576 and Ps.3,258,928, respectively.

In addition to the purchase price and costs directly attributable to preparing an asset in terms of its physical location and condition for use as intended by management, when required, the cost also includes the estimated costs for the dismantlement and removal of the asset, and for restoration of the site where it is located. See Note 15c).

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

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

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

Annual depreciation rates are as follows:

Telephone plant in operation and equipment:	
Monitoring equipment and network performance	20%-33%
Base stations	20%
Switching and telephone exchanges	20%
Towers, antennas and engineering works	10%
Measuring equipment	17%
Buildings	3.33%
Submarine cable	5%
Other assets	10%-33%

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

During the years ended December 31, 2012, 2013 and 2014, no impairment losses were recognized.

v) Inventories for operation of the plant

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

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

j) Intangibles

i) Licenses

Licenses to operate wireless telecommunications networks are recorded for at acquisition cost or at fair value at its acquisition date, net of accumulated amortization.

The licenses that in accordance with government requirements are categorized as automatically renewable, for a nominal cost and with substantially consistent terms, are considered by the Company as intangible assets with an indefinite useful life. Accordingly, they are not amortized. Licenses are amortized when the Company does not have a basis to conclude that they are indefinite lived. Licenses are amortized using the straight-line method over a period ranging from 5 to 20 years, which represents the usage period of the assets. The payments to the governments are recognized in the cost of service and equipment.

ii) Trademarks

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

iii) Rights of use

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

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

iv) Customer relationships

The value of customer relations are determined and valued at the time that a new subsidiary is acquired, as determined by the Company with the assistance of independent appraisers, and is amortized over the useful life of the customer relationship on a five years.

During the years ended December 31, 2012, 2013 and 2014, no impairment losses were recognized for licenses, trademarks, rights of use or customer relationships.

k) Impairment in the value of long-lived assets

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

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

Key assumptions used in value in use calculations

The forecasts were performed by the Company´s management in real terms (net of inflation) and in pesos with acquisition value as of December 31, 2014.

In developing information for financial forecasts, premises and assumptions have been included that any other market participant in similar conditions would consider.

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

The assumptions used to develop the financial forecasts were validated by the Company´s management for each of the cash generating unit ("CGUs"), taking into consideration the following:

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

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

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

- Adjusted EBITDA (which the Company defines as operating income excluding currency fluctuations plus depreciation and amortization) / margin on revenue
- Capital expenditure ("CAPEX") / margin on revenue
- Pre-tax weighted average cost of capital ("WACC") used to discount the projected cash flows.

To determine the discount rate, América Móvil uses the WACC which was determined for each of the cash generating units in real terms and is described in following paragraphs.

The estimated discount rates to perform the IAS 36 *"Impairment of assets"*, impairment test for each CGU consider market participants assumptions. Market participants were selected taking into consideration the size, operations and characteristics of the business that were similar to those in América Móvil.

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

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

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

The most significant assumptions used for the 2013 and 2014 impairment evaluations are shown below:

	Adjusted EBIDTA/ margin on revenues	CAPEX/ margin on revenues	Pre-tax discount rate (WACC)
2013:			
Brazil (Fixed-line, wireless and TV)	18.11% - 31.37%	15.48% - 27.07%	6.47%
Puerto Rico	22.69%	5.05%	8.09%
Dominican Republic	39.78%	12.47%	9.41%
Mexico	33.48% - 49.74%	5.38% - 18.5%	5.35%
Ecuador	49.80%	9.49%	11.78%
Peru	40.36%	10.23%	6.54%
El Salvador	40.62%	14.90%	8.05%
Chile	12.75%	17.52%	6.00%
Colombia	29.00% - 47.81%	11.63% - 16.27%	6.20%
Other countries	9.40% - 44.37%	0.48%- 28.68%	8.05% - 13.61%
2014:			
Europe (7 countries)	**27.09%**	**35.08%**	**6.92%**
Brazil (Fixedline, wireless and TV)	**15.41%-30.53%**	**31.56%-41.40%**	**10.29%**
Puerto Rico	**36.43%**	**9.24%**	**12.14%**
Dominican Republic	**39.55%**	**16.72%**	**11.39%**
Mexico	**34.51%-49.12%**	**4.87-12.07%**	**9.19%**
Ecuador	**45.21%**	**9.26%**	**15.11%**
Peru	**35.15%**	**14.14%**	**10.65%**
El Salvador	**41.88%**	**16.89%**	**12.13%**
Chile	**6.63%**	**34.09%**	**9.59%**
Colombia	**29.50%-41.35%**	**13.25%-39.5%**	**10.55%**
Other countries	**5.29% - 44.32%**	**0.73%- 30.43%**	**11.88%-16.67%**

In the case of México, Colombia, Brazil and Europe includes Fixed and Wireless operations.

l) Leases

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

Operating leases

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

Finance leases

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

m) Financial assets and liabilities

Financial assets

Financial assets are categorized, at initial recognition, as (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity investments, (iv) available-for-sale financial assets, or as (v) derivatives designated as hedging instruments in an effective hedge, as appropriate.

- Initial recognition and measurement

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

- Subsequent measurement

The subsequent measurement of assets depends on their categorization as either financial assets and liabilities measured at fair value through profit and loss, loans and receivables, held to maturity or available for sale financial assets, or derivatives designated as hedging instruments in an effective hedge.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss as held for trading if they are acquired for the purpose of selling or repurchasing in the short term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined in IAS 39. Financial assets at fair value through profit or loss are recorded in the consolidated statements of financial position at fair value with net changes in fair value in the consolidated statements of comprehensive income in the "valuation of derivatives, interest cost from labor obligations and other financial items".

Held-to-maturity investments

Held-to-maturity investments are those that the Company has the intent and ability to hold to maturity and are recorded at cost which includes transaction costs and premiums or discounts related to investment that are amortized over the life of the investment based on its outstanding balance, less any impairment. Interest and dividends on investments classified as held-to-maturity are included within interest income.

Available-for-sale financial assets

Available-for-sale financial assets are recorded at fair value, with gains and losses, net of tax, reported in other comprehensive income. Interest and dividends on investments classified as available-for-sale are included in interest income. The fair value of investments is readily available based on market value. The currency effects of securities available for sale are recognized in the consolidated statement of comprehensive income in the period in which they occur.

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Loans and receivables with a relevant period (including accounts receivable to subscribers, distributors and other receivables) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for accounts receivable from subscribers, distributors and other in the short term when the recognition of interest would be immaterial.

This category generally applies to accounts receivable from subscribers, distributors and other receivables. For more information on receivables, refer to Note 5.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the group's consolidated statement of financial position) when: –The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

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

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

Financial liabilities

Financial liabilities are classified into the following categories based on the nature of the financial instruments contracted or issued: (i) financial liabilities measured at fair value, and (ii) financial liabilities measured at amortized cost. The Company's financial liabilities include accounts payable to suppliers, deferred revenues, other accounts payable, loans and derivative financial instruments. Derivative financial instruments are measured at fair value; short- and long-term debt and accounts payable, are accounted for as financial liabilities and measured at amortized cost.

- Initial recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39, *"Financial Instruments: Recognition and Measurement"*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognized in the consolidated statements of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. América Móvil has not designated any financial liabilities as fair value liabilities through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through the effective interest rate ("EIR") amortization process.

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

This category generally applies to interest-bearing loans and borrowings. For more information refer Note 14.

- Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

- Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position if, and only if, there is:

(i) a currently a legally enforceable right to offset the recognized amounts, and

(ii) the intention to either settle them on a net basis, or to realize the assets and settle the liabilities simultaneously.

- Fair value of financial instruments

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

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

Note 7 and 19 provides an analysis of the fair values of the Company´s financial instruments.

n) Transactions in foreign currency

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

The exchange rates used for the translation of foreign currencies against the Mexican peso are as follows:

		Average exchange rate			Closing exchange rate at December 31,	
Country or Zone	Currency	**2014**	2013	2012	**2014**	2013
Argentina [1]	Argentine Peso	**1.6405**	2.3410	2.9305	**1.7212**	2.0053
Brazil	Real	**5.6574**	5.9334	6.7605	**5.5410**	5.5820
Colombia	Colombian Peso	**0.0067**	0.0068	0.0073	**0.0062**	0.0068
Guatemala	Quetzal	**1.7195**	1.6244	1.6808	**1.9374**	1.6676
U.S.A. [2]	US Dollar	**13.2969**	12.7660	13.1663	**14.7180**	13.0765
Uruguay	Uruguay Peso	**0.5726**	0.6249	0.6568	**0.6040**	0.6104
Nicaragua	Cordobas	**0.5122**	0.5164	0.5594	**0.5533**	0.5162
Honduras	Lempiras	**0.6291**	0.6228	0.6758	**0.6794**	0.6304
Chile	Chilean Peso	**0.0233**	0.0258	0.0274	**0.0243**	0.0249
Paraguay	Guaraní	**0.0030**	0.0030	0.0030	**0.0032**	0.0029
Peru	Soles	**4.6830**	4.7271	5.0952	**4.9241**	4.6769
Dominican Republic	Dominican Peso	**0.3050**	0.3052	0.3373	**0.3313**	0.3050
Costa Rica	Colon	**0.0244**	0.0253	0.0259	**0.0270**	0.0258
European Union	Euro	**17.6507**	16.9693	16.9276	**17.8058**	17.9710
Bulgaria	Lev	**8.8045**			**8.9984**	
Belarus [3]	Belarusian Roble	**0.0012**			**0.0012**	
Croacia	Croatian Kuna	**2.2508**			**2.3051**	
Macedonia	Macedonian Denar	**0.2805**			**0.2860**	
Serbia	Serbian Denar	**0.1449**			**0.1500**	

(1) Official exchange rate published by the Argentine Central Bank. The Argentine peso has experienced significant devaluation over the past several years and the government has adopted various rules and regulations since late 2011 that established new restrictive controls on capital flows into the country. These enhanced exchange controls have practically closed the foreign exchange market to retail transactions. It is widely reported that the Argentine peso/U.S. dollar exchange rate in the unofficial market substantially differs from the official foreign exchange rate. The Argentine government could impose further exchange controls or restrictions on the movement of capital and take other measures in the future in response to capital flight or a significant depreciation of the Argentine peso.

(2) Includes U.S.A., Ecuador, El Salvador, Puerto Rico and Panama.

(3) Year-end rates are used for the translation of revenues and expenses as IAS 29 *"Financial Reporting in Hyperinflationary Economies"* is applied.

o) Financial reporting in hyperinflationary economies

Financial statements of subsidiaries located in hyperinflationary economies are restated before translation to the reporting currency of the América Móvil and before consolidation in order to reflect the same value of money for all items. Items recognized in the consolidated statements of financial position which are not measured at the applicable year-end measuring unit are restated based on general price index. All non-monetary items measured at cost or amortized costs are restated for the changes in the general price index from the date of transaction to the reporting date. Monetary items are not restated. All items of stockholders' equity are restated for the changes in the general price index since their addition until the end of the reporting period. All items of the comprehensive income are restated for the change in a general price index from the date of initial recognition to the reporting date. Gains and losses resulting from the net position of monetary items are reported in the consolidated statements of comprehensive income in the "foreign currency exchange (loss) gains, net" caption. The financial statements of the subsidiaries in Belarus are reported at the applicable measuring unit at the reporting date. The Company's Belarus subsidiary accounted for 0.9% of America Movil's consolidated assets at December 31, 2014, and 0.8% of revenues for the year ended December 31, 2014.

p) Accounts payable, accrued liabilities and provisions

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

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

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

q) Employee benefits

The Company has defined benefit pension plans in place in its subsidiaries Radiomóvil Dipsa, S.A. de C.V., Telecomunicaciones de Puerto Rico, S.A., Teléfonos de México, Claro Brasil and Telekom Austria. Claro Brasil also has medical plans and defined contribution plans and Telekom Austria provides retirement benefits to its employees under a defined contribution plan. The Company recognizes the costs of these plans based upon independent actuarial computations, and are determined using the projected unit credit method. The latest actuarial computations were prepared as of December 31, 2014.

Mexico

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

The costs of pensions, seniority premiums and severance benefits, are recognized based on calculations by independent actuaries using the projected unit credit method using financial hypotheses, net of inflation.

Puerto Rico

In Puerto Rico, the Company has noncontributing pension plans for full-time employees, which are tax qualified as they meet Employee Retirement Income Security Act of 1974 requirements.

The pension benefit is composed of two elements:

(i) An employee receives an annuity an retirement if they meet the rule of 85 (age at retirement plus accumulated years of service). The annuity is calculated by applying a percentage times years of services to the last three years of salary.

(ii) The second element is a lump-sum benefit based on years of service equivalent to approximately nine to twelve months of salary. Health care and life insurance benefits are also provided to retirees under a separate plan (post-retirement benefits).

Brazil

In Brazil, the Company provides a defined benefit plan and post-retirement medical assistance plan, and a defined contribution plan, through a pension fund that supplements the government retirement benefit, for certain employees.

Under the defined benefit plan, the Company makes monthly contributions to the pension fund equal to 17.5% of the employee's aggregate salary. In addition, the Company contributes a percentage of the aggregate salary base for funding the post-retirement medical assistance plan for the employees who remain in the defined benefit plan. Each employee makes contributions to the pension fund based on age and salary. All newly hired employees automatically adhere to the defined contribution plan and no further admittance to the defined benefit plan is allowed. For the defined contribution plan, see Note 17.

Austria

In Austria the Company provides retirement benefits to its employees under defined contribution and defined benefit plans.

The Company pays contributions to publicly or privately administered pension or severance insurance plans on mandatory or contractual basis. Once the contributions have been paid, the Company has no further payment obligations. The regular contributions are recognized as employee expenses in the year in which they are due.

All other employee benefit obligations provided in Austria are unfunded defined benefit plans for which the Company records provisions which are calculated using the projected unit credit method. The future benefit obligations are measured using actuarial methods on the basis of an appropriate assessment of the discount rate, rate of employee turnover, rate of compensation increase and rate of increase in pensions.

Ecuador

The subsidiary Consorcio Ecuatoriano de Telecomunicaciones, S.A. has a pension plan, where the Company purchases an annuity for the employee and is paid by the employee by means of individual funding. The Company purchases a deferred annuity from an insurance company for which the Company pays an annual premium. This plan is classified as a defined benefit plan.

Other subsidiaries

For the rest of the Company´s subsidiaries, there are no defined benefit plans or compulsory defined contribution structures. However, the foreign subsidiaries make contributions to national pension, social security and severance plans in accordance with the percentages and rates established by the applicable payroll and labor laws of each country. Such contributions are made to the entities designated by the country and are recorded as direct labor expenses in the consolidated statements of comprehensive income as they are incurred.

Re-measurements of defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognizes restructuring-related costs

Net interest on liability for defined benefits is calculated by applying the discount rate to the net defined benefit liability or asset and it is recognized in the "valuation of derivatives, interest cost from labor obligations and other financial items" in the consolidated statements of comprehensive income. The Company recognizes the changes in the net defined benefit obligation under "cost of sales and services" and "Commercial, administrative and general expenses" in the consolidated statements of comprehensive income.

Paid absences

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

r) Employee profit sharing

Employee profit sharing is paid by certain subsidiaries of the Company to its eligible employees. In Mexico, until December 31, 2013, employee profit sharing was computed at the rate of 10% of the individual company taxable income, except for depreciation of historical rather than restated values, foreign exchange gains and losses, which are not included until the asset is disposed of or the liability is due and other effects of inflation are also excluded. Effective January 1, 2014, employee profit sharing in Mexico is calculated using the same taxable income for income tax, except for the following:

i) Neither tax losses from prior years nor the employee profit sharing paid during year are deductible.

ii) Payments exempt from taxes for the employees are fully deductible in the employee profit sharing computation.

Employee profit sharing is presented as an operating expense in the consolidated statements of comprehensive income.

s) Taxes

- Income taxes

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

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

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

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

Deferred tax consequences on unremitted foreign earnings are accounted for as temporary differences, except to the extent that the Company is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future. Taxes paid on remitted foreign earnings are able to be offset against Mexican taxes, thus to the extent that a remittance is to be made, the deferred tax would be limited to the incremental difference between the Mexican tax rate and the rate of the remitting country. As of December 31, 2013 and 2014, the Company has not provided for any deferred taxes related to unremitted foreign earnings.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

- Sales tax

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of the current receivables or payables in the consolidated statements of financial position unless they are due in more than a year in which case they are classified as non-current.

t) Advertising

Advertising expenses are expensed as incurred. For the years ended December 31, 2012, 2013 and 2014, advertising expenses were Ps.22,652,826 Ps.19,699,228 and Ps.21,772,454, respectively, and are recorded in the consolidated statements of comprehensive income in the caption "Commercial, administrative and general expenses".

u) Earnings per share

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

v) Financial risks

The main risks associated with the Company's financial instruments are: (i) liquidity risk, (ii) market risk (foreign currency exchange risk and interest rate risk) and (iii) credit risk and counterparty risk. The Board of Directors approves the policies submitted by management to mitigate these risks.

(i) Liquidity risk

Liquidity risk is the risk that the Company may not meet its financial obligations associated with financial instruments when they are due. The Company's financial obligations and commitments are included in Notes 14 and 20.

(ii) Market risk

The Company is exposed to market risks from changes in interest rates and fluctuations in exchange rates of foreign currencies. The Company's debt is denominated in foreign currencies, mainly in US dollars, other than its functional currency. In order to reduce the risks related to fluctuations in the exchange rate of foreign currency, the Company uses derivative financial instruments such as cross-currency swaps and forwards to adjust exposures resulting from foreign exchange currency. The Company does not use derivatives to hedge the exchange risk arising from having operations in different countries.

Additionally, the Company occasionally uses interest rate swaps to adjust its exposure to the variability of the interest rates or to reduce their financing costs. The Company's practices vary from time to time depending on their judgments about the level of risk, expectations of change in the movements of interest rates and the costs of using derivatives. The Company may terminate or modify a derivative financial instrument at any time. See Note 7 for disclosure of the fair value of derivatives as of December 31, 2013 and 2014.

(iii) Credit risk

Credit risk represents the loss that could be recognized in case the counterparties fail to fully comply with the contractual obligations.

The financial instruments that potentially represent concentrations of credit risk are cash and short-term deposits, trade accounts receivable and financial instruments related to debt and derivatives. The Company's policy is designed in order to limit its exposure to any one financial institution; therefore, the Company's financial instruments are contracted with several different financial institutions located in different geographic regions.

The credit risk in accounts receivable is diversified because the Company has a broad customer base that is geographically dispersed. The Company continuously evaluates the credit conditions of its customers and does not require collateral to guarantee collection of its accounts receivable. The Company monitors on a monthly basis its collection cycle to avoid deterioration of its results of operations.

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

(iv) Sensitivity analysis for market risks

The Company uses sensitivity analyses to measure the potential losses based on a theoretical increase of 100 basis points in interest rates and a 10% fluctuation in exchange rates:

- Exchange rate fluctuations

Should the Company's debt at December 31, 2014 of Ps. 603,754,987, suffer a 5% increase/(decrease) in exchange rates, the debt would increase/(decrease) by Ps. 34,207,027 and Ps. (26,351,247),respectively.

- Interest rates

In the event that the Company's agreed-upon interest rates at December 31, 2014 increased/(decreased) by 100 basis points, the increase in net interest expense would increase/decrease by Ps. 7,553,639 and Ps. (6,964,699), respectively.

(v) Concentration of risk

The Company depends on several key suppliers and sellers. During the years ended December 31, 2012, 2013 and 2014, approximately 55%, 64% and 55%, respectively, of the total cost of the cellular equipment of América Móvil represented purchases made from three suppliers, and approximately 20%, 21% and 19%, respectively, of the telephony plant equipment was purchased from two suppliers. If any of these suppliers were to cease to provide equipment and services to the Company, or to provide them in a timely manner and at a reasonable cost, the Company's business and results of operations might be adversely affected.

(vi) Capital management

The Company manages its capital to ensure that its subsidiaries to continue as going concerns while maximizing the return to stakeholders through the optimization of their balances and debt capital to maintain the lowest cost of capital available. The Company manages its capital structure and makes adjustments according to economic conditions. To maintain the capital structure, the Company may adjust the dividend payment to shareholders or its share buyback program, for which the company holds a reserve. In addition, the Company creates a legal reserve, as required by law. See Note 18.

w) Derivative financial instruments

The Company is exposed to interest rate and foreign currency risks, which it tries to mitigate through a controlled risk management program that includes the use of derivative financial instruments. The Company principally uses cross-currency swaps and, if necessary, foreign currency forwards to offset the short-term risk of exchange rate fluctuations. For purposes of reducing the risks from changes in interest rates, the Company utilizes interest rate swaps through which it pays or receives the net amount resulting from paying or receiving a fixed rate, and from receiving or paying cash based on a variable rate, on notional amounts denominated mainly in Mexican pesos, U.S. dollars, Japanese yen, Swiss francs, Euros and Sterling pounds. For the years ended December 31, 2012, 2013 and 2014, some of the Company's derivative financial instruments have been designated, and have qualified, as cash flow hedges.

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

The effectiveness of the Company's derivatives is evaluated prior to their designation as hedges, as well as during the hedging period, which is performed, at least quarterly, based on recognized statistical techniques. Whenever it is determined that a derivative is not highly effective as a hedge or that the derivative ceases to be a highly effective hedge, the Company ceases to apply hedge accounting for the derivative on a prospective basis.

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

The change in fair value recognized in results of operations corresponding to derivatives that qualify as hedges is presented in the same caption of the consolidated statements of comprehensive income as the gain or loss of the hedged item (interests and foreign exchange rate).

x) Current versus non-current classification

The Company presents assets and liabilities in its consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

(i) Expected to be realized or intended to be sold or consumed in the normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii)Expected to be realized within twelve months after the reporting period; or

(iv) Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(v) It is expected to be settled in the normal operating cycle;

(vi) It is held primarily for the purpose of trading;

(vii) It is due to be settled within twelve months after the reporting period; or

(viii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

y) Presentation of consolidated statement of comprehensive income

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

The Company's presents operating income in its consolidated statements of comprehensive income since it is a key indicator of the Company's performance. Operating income represents operating revenues less operating costs and expenses.

The employee benefits expense recognized in 2012, 2013 and 2014 were Ps.36,712,871, Ps.33,768,356 and Ps.36,939,601 recognized as "Cost of sales and services", respectively and Ps.48,931,454, Ps.46,164,732 and Ps.53,938,718 recognized as "Commercial, administrative and general expenses", respectively.

z) Operating Segments

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

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

Intersegment revenues and costs, intercompany balances as well as investments in shares in consolidated entities are eliminated upon consolidation and reflected in the "eliminations" column.

None of the segments records revenue from transactions with a single external customer amounting to at least 10% or more of the revenues.

z.1) Convenience Translation

At December 31, 2014, amounts in U.S. dollars have been included in the financial statements solely for the convenience of the reader and have been translated to Mexican pesos at December 31, 2014 at an exchange rate of Ps.14.7180 pesos per U.S. dollar, which was the exchange rate at that date. Such translation should not be construed as a representation that the Mexican peso can be converted to U.S. dollars at the exchange rate in effect on December 31, 2014 or any other exchange rate.

z.2) Significant Accounting Judgments, Estimates and Assumptions

In preparing its consolidated financial statements, América Móvil makes estimates concerning a variety of matters. Some of these matters are highly uncertain, and its estimates involve judgments it makes based on the information available to it. In the discussion below, América Móvil has identified several of these matters for which its financial statements would be materially affected if either (1) América Móvil used different estimates that it could reasonably have used or (2) in the future América Móvil changes its estimates in response to changes that are reasonably likely to occur.

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

Fair Value of Financial Assets and Liabilities

América Móvil has substantial financial assets and liabilities that it recognizes at their fair value, which is an estimate of the amount at which the instrument could be exchanged in a current transaction between willing parties. The methodologies and assumptions América Móvil uses to estimate an instrument´s fair value depend on the type of instrument and include (i) recognizing cash and cash equivalents and trade receivables and trade payables and other current liabilities at close to their carrying amount, (ii) recognizing quoted instruments at their price quotations on the reporting date, (iii) recognizing unquoted instruments, such as loans from banks and obligations under financial leases, by discounting future cash flows using rates for similar instruments and (iv) applying various valuation techniques, such as present value calculations, to derivative instruments. Using different methodologies or assumptions to estimate the fair value of AMX´s financial assets and liabilities could materially impact the reported financial results. See Note 19.

Estimated useful lives of plant, property and equipment

América Móvil estimates the useful lives of particular classes of plant, property and equipment in order to determine the amount of depreciation expense to be recorded in each period. América Móvil currently depreciates most of its telephone plant and equipment based on an estimated useful life determined upon the expected particular conditions of operations and maintenance in each of the countries in which it operates. The estimates are based on AMX´s historical experience with similar assets, anticipated technological changes and other factors, taking into account the practices of other telecommunications companies. América Móvil reviews estimated useful lives each year to determine whether they should be changed, and at times, it changes them for particular classes of assets. América Móvil may shorten the estimated useful life of an asset class in response to technological changes, changes in the market or other developments. This results in increased depreciation expense. See Notes 2i) and Note 10.

Impairment of Long-Lived Assets

América Móvil has large amounts of long-lived assets, including property, plant and equipment, intangible assets, investments in affiliates and goodwill, on its consolidated statement of financial position. América Móvil is required to test long-lived assets for impairment when circumstances indicate a potential impairment or, in some cases, at least on an annual basis. The impairment analysis for long-lived assets requires the Company to estimate the recovery value of the asset, which is the higher of its fair value (minus any disposal costs) and its value in use. To estimate the fair value of a long-lived asset, América Móvil typically takes into account recent market transactions or, if no such transactions can be identified, América Móvil uses a valuation model that requires the making of certain assumptions and estimates. Similarly, to estimate the value in use of long-lived assets, América Móvil typically makes various assumptions about the future prospects for the business to which the asset relates, consider market factors specific to that business and estimate future cash flows to be generated by that business. Based on this impairment analysis, including all assumptions and estimates related thereto, as well as guidance provided by IFRS relating to the impairment of long-lived assets, América Móvil determines whether it needs to take an impairment charge to reduce the net carrying value of the asset as stated on its consolidated statement of financial positiont. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors, such as industry and economic trends, and internal factors, such as changes in the Company´s business strategy and its internal forecasts. Different assumptions and estimates could materially impact the Company´s reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in impairment charges, which would decrease net income and result in lower asset values on the consolidated statement of financial position. Conversely, less conservative assumptions could result in smaller or no impairment charges, higher net income and higher asset values. The key assumptions used to determine the recoverable amount for the Company´s CGUs, are further explained in Notes 2m) and Note 10 and Note 11.

Deferred Income Taxes

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

América Móvil records deferred tax assets based on the amount that it believes is probable to be realized. In assessing the future realization of deferred tax assets, the Company considers future taxable income and ongoing tax planning strategies. In the event that the estimates of projected future taxable income and benefits from tax planning strategies are lowered, or changes in current tax regulations are enacted that would impose restrictions on the timing or extent of the ability to utilize the tax benefits of net operating loss carry-forwards in the future, an adjustment to the recorded amount of deferred tax assets would be made, with a related charge to income. See Note 13.

Accruals

Accruals are recorded when, at the end of the period, the Company has a present obligation as a result of past events, whose settlement requires an outflow of resources that is considered probable and can be measured reliably. This obligation may be legal or constructive, arising from, but not limited to, regulation, contracts, common practice or public commitments, which have created a valid expectation for third parties that the Company will assume certain responsibilities. The amount recorded is the best estimation performed by the Company's management in respect of the expenditure that will be required to settle the obligations, considering all the information available at the date of the financial statements, including the opinion of external experts, such as legal advisors or consultants. Accruals are adjusted to account for changes in circumstances for ongoing matters and the establishment of additional accruals for new matters.

If América Móvil is unable to reliably measure the obligation, no accrual is recorded and information is then presented in the notes to its consolidated financial statements. Because of the inherent uncertainties in this estimation, actual expenditures may be different from the originally estimated amount recognized. See Note 15.

América Móvil is subject to various claims and contingencies related to tax, labor and legal proceedings as described in Note 20.

Labor Obligations

América Móvil recognizes liabilities on its consolidated statement of financial position and expenses in its comprehensive income statement to reflect its obligations related to its post-retirement seniority premiums, pension and retirement plans in the countries in which it operates and offer defined contribution and benefit pension plans. The amounts the Company recognizes are determined on an actuarial basis that involves many estimates and accounts for post-retirement and termination benefits in accordance with IFRS.

América Móvil uses estimates in four specific areas that have a significant effect on these amounts: (i) the rate of return América Móvil assumes its pension plan will achieve on its investments, (ii) the rate of increase in salaries that the Company assumes it will observe in future years, (iii) the discount rates that the Company uses to calculate the present value of its future obligations and (iv) the expected rate of inflation. The assumptions América Móvil has applied are further disclosed in Note 17. These estimates are determined based on actuarial studies performed by independent experts using the projected unit-credit method.

Allowance for Dad Debts

América Móvil maintains an allowance for bad debts for estimated losses resulting from the failure of its customers, distributors and cellular operators to make required payments. The Company bases these estimates on the individual conditions of each of the markets in which it operates that may impact the collectability of accounts. In particular, in making these estimates the Company takes into account with respect to accounts (i) with customers, the number of days since the calls were made, (ii) with distributors, the number of days invoices are overdue and (iii) with cellular operators, both the number of days since the calls were made and any disputes with respect to such calls. The amount of loss, if any, that América Móvil actually experiences with respect to these accounts may differ from the amount of the allowance maintained in connection with them. See Note 5.

z.3) Reclassifications

The following amounts in consolidated statements of comprehensive income for the years ended December 31, 2012 and 2013 have been reclassified to conform to the presentation for the year ended December 31, 2014:

	As previously Reported	Reclassification	2012 As reclassified
In the Consolidated Statement of Comprehensive income:			
Interest income	Ps. 5,776,600	Ps. (1,917,514)	Ps. 3,859,086
Interest expense	(24,914,596)	2,646,825	(22,267,771)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	(12,535,708)	(729,311)	(13,265,019)
Equipment, accessories, computer sale and other services	87,613,043	(87,613,043)	–
Sales of equipment, accessories and Computer	–	69,562,903	69,562,903
Other services	–	18,050,140	18,050,140
	Ps. 55,939,339	Ps. –	Ps. 55,939,339
In the Consolidated Statement of Cash Flows:			
Loss in partial sales of shares of associated company	Ps. –	Ps. 795,028	Ps. 795,028
Interest income	(5,776,600)	1,917,514	(3,859,086)
Interest expense	24,914,596	(2,646,825)	22,267,771
(Gain) loss in valuation of derivative financial instruments, capitalized interest expense and other, net	2,988,396	(65,717)	2,922,679
	Ps. 22,126,392	Ps. –	Ps. 22,126,392

	As previously Reported	Reclassification	2013 As reclassified
In the Consolidated Statement of Financial Position:			
Licenses and rights of use, net	Ps. 37,053,832	Ps. (37,053,832)	Ps. –
Trademarks, net	1,166,306	(1,166,306)	–
Intangibles, net	–	38,220,138	38,220,138
	Ps. 38,220,138	Ps. –	Ps. 38,220,138
In the Consolidated Statement of Comprehensive income:			
Equipment, accessories, computer sale and other services	Ps. 103,817,288	Ps. (103,817,288)	Ps. –
Sales of equipment, accessories and Computer	–	84,544,261	84,544,261
Other services	–	19,273,027	19,273,027
Interest income	6,245,323	(3,319,489)	2,925,834
Interest expense	(30,349,694)	6,399,041	(23,950,653)
Valuation of derivatives, interest cost from labor obligations and other financial items, net	(5,211,983)	(3,079,552)	(8,291,535)
	Ps. 74,500,934	Ps. –	Ps. 74,500,934
In the Consolidated Statement of Cash Flows:			
Loss in partial sales of shares of associated company	Ps. –	Ps. 896,956	Ps. 896,956
Interest income	(6,245,323)	3,319,489	(2,925,834)
Interest expense	30,349,694	(6,399,041)	23,950,653
(Gain) loss in valuation of derivative financial instruments, capitalized interest expense and other, net	(8,027,124)	2,182,596	(5,844,528)
	Ps. 16,077,247	Ps. –	Ps. 16,077,247

3 New standards, interpretations and amendments thereof

The Company applied for the first time certain standards and amendments, which were effective for annual periods beginnings on or after January 1, 2014. However, the adoption of those IFRS standards and amendments did not have a significant impact on the consolidated financial statements of América Móvil.

The nature and the impact of each new standard/amendment are described below:

Investment Entities – Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements.

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The Company determined these amendments had no impact on the Company´s consolidated results or in its consolidated statements.

Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32 Financial Instruments

These amendments clarify the meaning of ´currently has a legally enforceable right to

set-off´ and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. The Company determined these amendments had no impact on the Company´s consolidated results or in its consolidated statements.

Recoverable Amount Disclosures for Non-Financial Assets — Amendments to IAS 36 Impairment of Assets

These amendments require disclosure of the recoverable amounts of the assets or cash generating units ("CGUs") for which an impairment loss has been recognized or reversed during the period. The Company determined these amendments had no impact on the disclosures of the Company´s consolidated statements.

Novation of Derivatives and Continuation of Hedge Accounting — Amendments to IAS 39 Financial Instruments

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. The Company determined these amendments had no impact on the Company´s consolidated results or in its consolidated statements.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Company determined this IFRIC had no impact on the Company´s consolidated results or in its consolidated statements.

Improvements to IFRSs – 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 was effective immediately and, it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The Company determined these new improvements had no impact on the Company´s consolidated results or in its consolidated statements.

The amendments to IFRS 8 *Operating segments* became effective on July 1, 2014 and are applied retrospectively and clarify that an entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ´similar´. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The disclosures related to these amendment are described in Notes 2z) and 21.

The amendments to IFRS 2 *Share-based payment*, IFRS 3 *Business combination*, IAS 16 *Property, Plant and Equipment*, IAS 38 Intangible Assets and IAS 24 *Related parties* did not have an impact in the Company´s consolidated financial statements.

Improvements to IFRSs – 2011-2013 Cycle:

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 was effective immediately and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity´s first IFRS financial statements. The Company determined these new improvements had no impact on the Company´s consolidated results or in its consolidated statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. The Company determined this amendment had no impact on the Company's consolidated results or in its consolidated statements.

Standards issued but not yet effective and annual improvements

The Company has not early adopted any other IFRS interpretation or amendment that has been issued but is not yet effective.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are as describe below. The Company is in process of analyzing its impact in its financial statement and the relative notes.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company has yet to quantify the impact these amendments will have on its financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company has yet to quantify the impact these amendments will have on its financial statements.

4 Cash and Cash Equivalents

	At December 31, 2013	2014
Cash in banks	Ps. 22,617,446	**Ps. 38,601,071**
Short-term deposits	25,546,104	**27,872,632**
	Ps. 48,163,550	**Ps. 66,473,703**

5 Accounts receivable from subscribers, distributors, recoverable taxes and other, net

a) An analysis of accounts receivable at December 31, 2013 and 2014 is as follows:

	At December 31, 2013	2014
Subscribers and distributors	Ps. 96,007,977	**Ps. 121,490,248**
Mobile phone carriers for network interconnection and other services including calling party pays	6,305,459	**7,181,554**
Recoverable taxes	31,116,185	**23,556,336**
Sundry debtors	14,735,135	**19,041,797**
	148,164,756	**171,269,935**
Less: Allowance for bad debts	(20,292,099)	**(25,685,528)**
Net	Ps. 127,872,657	**Ps. 145,584,407**

b) Changes in the allowance for bad debts were as follows:

	For the years ended December31, 2012	2013	2014
Balance at beginning of year	Ps. (23,358,822)	Ps. (22,438,144)	**Ps. (20,292,099)**
Increases recorded in expenses	(12,009,580)	(10,417,235)	**(11,770,721)**
Charges against the allowance	10,534,631	14,405,151	**4,978,376**
Translation effect	2,395,627	(1,841,871)	**1,398,916**
Balance at end of year	Ps. (22,438,144)	Ps. (20,292,099)	**Ps. (25,685,528)**

c) The following table shows the aging of accounts receivable at December 31, 2013 and 2014, for subscribers and distributors:

	Total	Unbilled services provided	1- 30 days	30-60 days	61-90 days	Greater than 90 days
December 31, 2013	Ps. 96,007,977	Ps. 48,223,217	Ps. 21,308,236	Ps. 3,561,179	Ps. 2,439,653	Ps. 20,475,692
December 31, 2014	**Ps.121,490,248**	**Ps. 59,703,005**	**Ps. 25,946,186**	**Ps. 3,908,512**	**Ps. 2,551,247**	**Ps. 29,381,298**

In accordance with the Company´s accounting policy for the allowance for bad debts, as of December 31, 2013 and 2014, there are accounts receivable greater than 90 days that are not impaired as they are primarily due from governmental institutions. To estimate the recoverability of accounts receivable, the Company considers any change in the credit quality of the subscribers and distributors from the date the credit was granted until the end of period.

d) The following table shows the accounts receivable from subscribers and distributors included in the allowance for doubt accounts, as of December 31, 2013 and 2014:

	Total	61-90 days	Greater than 90 days
December 31, 2013	Ps. 20,292,099	Ps. 814,500	Ps. 19,477,599
December 31, 2014	**Ps. 25,685,528**	**Ps. 1,026,898**	**Ps. 24,658,630**

6 Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2013 and 2014. All of the companies were considered affiliates of América Móvil since the Company or the Company's principal shareholders are also direct or indirect shareholders in the related parties.

		2013		2014
Accounts receivable:				
Sanborns Hermanos, S.A.	Ps.	235,075	Ps.	254,423
Sears Roebuck de México, S.A. de C.V.		353,724		220,501
AT&T Corp. (AT&T)		80,438		–
Patrimonial Inbursa, S.A.		245,318		182,753
Other		431,837		662,430
Total	Ps.	1,346,392	Ps.	1,320,107

		2013		2014
Accounts payable:				
Fianzas Guardiana Inbursa, S.A. de C.V.	Ps.	212,765	Ps.	452,333
Operadora Cicsa, S.A. de C.V.		280,374		667,358
PC Industrial, S.A. de C.V.		176,095		180,560
Microm, S.A. de C.V.		77,690		29,710
Grupo Financiero Inbursa, S.A.B. de C.V.		36,366		35,678
Conductores Mexicanos Eléctricos y de Telecomunicaciones, S.A. de C.V.		52,268		–
Acer Computec México, S.A. de C.V.		32,214		29,612
Sinergía Soluciones Integrales de Energía, S.A. de C.V.		35,826		61,098
Eidon Software, S.A. de C.V.		25,461		69,911
AT&T Corp. (AT&T)		1,039,043		–
Other		584,235		1,561,032
Total	Ps.	2,552,337	Ps.	3,087,292

For the years ended December 31, 2012, 2013 and 2014, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

b) For the years ended December 31, 2012, 2013 and 2014, the Company conducted the following transactions with related parties:

		2012		2013		2014
Investments and expenses:						
Construction services, purchases of materials, inventories and property, plant and equipment (i)	Ps.	6,014,441	Ps.	4,631,435	Ps.	5,424,826
Insurance premiums, fees paid for administrative and operating services, brokerage services and others (ii)		2,411,663		2,349,494		2,188,261
Call termination costs (iii)		10,983,962		14,470,985		6,141,063
Interconnection cost		250,426		308,483		120,119
Other services		981,496		1,142,771		955,833
	Ps.	20,641,988	Ps.	22,903,168	Ps.	14,830,102
Revenues:						
Sale of long-distance services and other telecommunications services	Ps.	352,086	Ps.	277,522	Ps.	291,038
Sale of materials and other services		447,390		439,091		506,100
Call termination revenues		486,230		617,058		201,990
	Ps.	1,285,706	Ps.	1,333,671	Ps.	999,128

(i) In 2014, this amount includes Ps.5,330,989 (Ps.4,441,279 in 2013 and Ps.5,867,810 in 2012, respectively) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).

(ii) In 2014, this amount includes Ps.537,904 (Ps.765,097 in 2013 and Ps.704,200 in 2012) for network maintenance services performed by Grupo Carso subsidiaries; Ps.634,368 in 2014 (Ps.555,984 and Ps.599,784, in 2013 and 2012, respectively) for software services provided by an associate; Ps.676,335 in 2014 (Ps.627,945 and Ps.669,118 in 2013 and 2012, respectively) for insurance premiums with Seguros Inbursa S.A., which, in turn, places most of such insurance with reinsurers.

iii) Includes the cost of buying airtime, long-distance services and megabytes navigation for value added services of Ps.6,008,380 in 2014 (Ps.14,326,300 in 2013 and Ps.10,937,396 in 2012) from AT&T subsidiaries.

c) During 2014, the Company paid Ps. 1,037,513 (Ps.920,244 and Ps.942,090 in 2013 and 2012, respectively) for short-term direct benefits to its executives.

d) In November 2010, the Company entered into a revolving credit agreement with its affiliate Banco Inbursa S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa. The agreement provides a line of credit to the Company and/or its subsidiaries for up to Ps.5,230,600 (US$400,000), of which no amounts are outstanding.

e) On June 27, 2014, Inmobiliaria Carso, S.A. de C.V. and Control Empresarial de Capitales, S.A. de C.V. acquired the share that AT&T had of the Company's stock. Therefore, since such date, AT&T is no longer considered a related party and is thus not included in the December 31, 2014 related party disclosures with respect to the analysis of the balances with related parties. AT&T is included as a related party in the 2013 disclosures above and in the 2014 disclosures for to the period ended June 27, 2014.

7 Derivative Financial Instruments

To mitigate the risks of future increases in interest rates for the servicing of its debt, the Company has entered into interest-rate swap contracts in over-the-counter transactions carried out with financial institutions from which the Company has obtained the loans. No collateral is given as security in connection with these transactions. The weighted-average interest rate of the total debt is 3.5%.

An analysis of the derivative financial instruments contracted by the Company at December 31, 2013 and 2014 is as follows:

	At December 31,							
	2013				2014			
Instrument	Notional amount in millions		Fair value		Notional amountw in millions		Fair value	
Swaps US Dollar- Mexican peso	US$	6,002	Ps.	7,558,469	**US$**	**4,725**	**Ps.**	**12,628,794**
Swaps Euro- Mexican peso	€	720		1,808,629	**€**	**142**		**232,904**
Swaps Euro- US Dollar	€	945		390,520	**€**	**4,505**		**6,526,253**
Swaps CHF- US Dollar	CHF	230		81,413				
Swaps CNY-US Dollar	CNY	1,000		184,690	**CNY**	**1,000**		**65,921**
Forwards US Dollar - Mexican peso	US$	5,375		361,845				
Forwards Euro-US Dollar	€	200		83,750				
Forwards Euro-Mexican peso					**€**	**200**		**3,082,184**
Total Assets			Ps.	10,469,316			**Ps.**	**22,536,056**

	At December 31,							
	2013				2014			
Instrument	Notional amount in millions		Fair value		Notional amountw in millions		Fair value	
Interest rate swaps in Mexican peso	Ps.	23,640	Ps.(	2,219,795)	**Ps.**	**23,640**	**Ps. (**	**1,690,560)**
Forwards Dollar–Mexican Peso					**US$**	**2,215**	**(**	**4,523,389)**
Forwards Euro–Dollar					**€**	**2,165**	**(**	**1,148,832)**
Swaps Euro-Dollar					**€**	**510**	**(**	**391,604)**
Swaps Yen- US Dollar	¥	12,000	(	566,558)	**¥**	**5,100**	**(**	**355,962)**
Swaps CHF-Euro	CHF	270	(	158,559)	**CHF**	**270**	**(**	**77,760)**
Swaps CHF-Dollar					**CHF**	**230**	**(**	**298,753)**
Swaps Sterling pound-Euro	£	2,720	(	2,421,411)	**£**	**1,770**	**(**	**40,952)**
Total liability			Ps.(	5,366,323)			**Ps. (**	**8,527,812)**

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2012, 2013 and 2014 amounted to a (loss) gain of Ps. (6,075,490), Ps. 2,841,952 and Ps. 7,397,142, respectively, and such amounts are included in the consolidated statements of comprehensive income as part of the caption "Valuation of derivatives interest cost from labor obligations and other financial items, net" and Ps. (253,428), Ps.(741,321) and Ps.(329,112), net of tax, that are accounted for as "Effect of derivative financial instruments acquired for hedging purposes" in equity.

The maturities of the notional amount of the derivatives are as follows:

Instrument		Notional amount in millions	2015	2016	2017	2018	2019	Thereafter
Swaps US Dollar- Mexican peso	US$	4,756		350			350	4,025
Swaps Euro- Mexican peso	€	142		72	70			
Swaps Euro- US Dollar	€	4,505						4,505
Swaps CNY-US Dollar	CNY	1,000	1,000					
Forwards Euro-Mexican peso	€	200	200					
Total assets								
Interest rate swaps in Mexican peso	Ps.	23,640	3,840	4,050	15,350		400	
Swaps Yen- US Dollar	¥	5,100			5,100			
Swaps CHF-Euro	CHF	270				270		
Swaps CHF-Dollar	CHF	230	230					
Swaps Euro-Dollar	€	510			10	500		
Swaps Sterling pound-Euro	£	1,770						1,770
Forwards Dollar–Mexican Peso	US$	2,215	2,215					
Forwards Euro–Dollar	€	2,165	1,425	500	240			
Total liabilities								

8 Inventories, Net

An analysis of inventories at December 31, 2013 and 2014 is as follows:

		2013		2014
Mobile phones, accessories, cards and other materials	Ps.	39,238,656	Ps.	**38,946,979**
Less: Reserve for obsolete and slow-moving inventories		(2,519,703)		**(3,016,697)**
Total	Ps.	36,718,953	Ps.	**35,930,282**

For the years ended December 31, 2012, 2013 and 2014, the cost of inventories recognized in cost of sales was Ps.110,465,701, Ps.121,994,900 and Ps.129,634,613, respectively.

9 Other assets, Net

a) An analysis of other assets at December 31, 2013 and 2014 is as follows:

		2013		2014
Current portion:				
Advances to suppliers	Ps.	7,999,148	Ps.	**8,808,396**
Costs of mobile equipment and computers associated with deferred revenues		3,041,371		**5,061,591**
Prepaid insurance		605,318		**1,423,889**
Other		481,363		**1,269,726**
	Ps.	12,127,200	Ps.	**16,563,602**
Non-current portion:				
Recoverable taxes	Ps.	3,269,699	Ps.	**7,162,377**
Advance payments for the use of fiber optics		2,765,495		**2,851,089**
Prepaid expenses and judicial deposits [1]		11,305,088		**17,842,567**
Total	Ps.	17,340,282	Ps.	**27,856,033**

For the years ended December 31, 2012, 2013 and 2014, the amortization expense for other assets was Ps.244,538, Ps.127,058 and Ps.284,088, respectively.

[1] Judicial deposits represent cash pledged in order to fulfill the collateral requirements for tax contingencies in Brazil. At December 31, 2013 and 2014, the amount for these deposits is Ps.7,305,140 and Ps.13,874,471, respectively. Based on its evaluation of the underlying contingencies, the Company believes that such amounts are recoverable.

10 Property, Plant and Equipment, Net

An analysis of property, plant and equipment, net at December 31, 2012, 2013 and 2014 is as follows:

	At December 31, 2011	Additions	Retirements
Cost:			
Telephonic plant in operation and equipment	Ps. 412,001,302	Ps. 104,467,913	Ps. (25,693,072)
Land and buildings	55,250,523	2,434,107	(1,219,353)
Other assets	65,455,040	9,883,676	(5,413,649)
Construction in process and advances plant suppliers [1]	50,848,277	19,730,746	(21,177,560)
Inventories for operation of the plant	17,995,007	11,603,283	(12,647,522)
Total	601,550,149	148,119,725	(66,151,156)
Accumulated depreciation			
Telephonic plant in operation and equipment	107,951,128		(22,753,727)
Land and buildings	1,838,362		(306,881)
Other assets	25,687,189		(6,297,626)
Inventories for operation of the plant	(13,303)		(24,451)
Total	135,463,376	–	(29,382,685)
Net Cost	Ps. 466,086,773	Ps. 148,119,725	Ps. (36,768,471)

	At December 31, 2012	Additions	Retirements
Cost:			
Telephonic plant inoperation and equipment	Ps. 467,496,768	Ps. 116,170,134	Ps. (17,995,021)
Land and buildings	52,538,431	2,567,068	(3,298,197)
Other assets	67,987,905	22,957,505	(8,367,342)
Construction in process and advances plantm suppliers [1]	45,946,235	13,085,094	(15,326,412)
Inventories for operation of the plant	16,025,105	12,458,316	(10,142,059)
Total	649,994,444	167,238,117	(55,129,031)
Accumulated depreciation			
Telephonic plant in operationb and equipment	125,710,640		(11,006,444)
Land and buildings	986,948		(31,133)
Other assets	22,932,310		(3,380,289)
Inventories for operation of the plant	(69,726)		(11,121)
Total	149,560,172	–	(14,428,987)
Net Cost	Ps. 500,434,272	Ps. 167,238,117	Ps. (40,700,044)

	At December 31, 2013	Additions	Retirements
Cost:			
Telephonic plant in operation and equipment	**Ps. 509,908,646**	**Ps. 108,661,794**	**Ps. (30,933,135)**
Land and buildings	**48,227,443**	**3,650,705**	**(823,850)**
Other assets	**78,010,934**	**39,953,790**	**(11,426,188)**
Construction in process and advances plant suppliers [1]	**39,831,975**	**13,543,305**	**(16,386,806)**
Inventories for operation of the plant	**17,366,081**	**15,580,184**	**(12,958,645)**
Total	**693,345,079**	**181,389,778**	**(72,528,624)**
Accumulated depreciation			
Telephonic plant in operation and equipment	**161,596,258**		**(16,618,742)**
Land and buildings	**1,607,313**		**(185,421)**
Other assets	**29,060,833**		**(3,596,940)**
Inventories for operation of the plant	**(26,276)**		**(29,199)**
Total	**192,238,128**	**–**	**(20,430,302)**
Net Cost	**Ps. 501,106,951**	**Ps. 181,389,778**	**Ps. (52,098,322)**

[1] Construction in progress includes fixed and mobile telephone facilities as well as satellite developments and fiber optic which is in the process of being installed.

The completion period of construction in progress is variable and depends upon the type of fixed assets under construction. In the case of telephone plant (switching and transmission), it takes 6 months on average; for others, it may take more than 2 years.

b) At December 31, 2013 and 2014, property, plant and equipment include the following assets under capital leases:

	2013	**2014**
Assets under capital leases	Ps. 972,601	**Ps. 1,281,452**
Accumulated depreciation	(367,698)	**(888,537)**
	Ps. 604,903	**Ps. 392,915**

	Business combinations		Effect of translation		Hyperinflation restatement		Depreciation of the year		At December 31, 2012
Ps.	33,113,663	Ps.	(56,393,038)	Ps.	–	Ps.	–	Ps.	467,496,768
	255,018		(4,181,864)						52,538,431
	40,160		(1,977,322)						67,987,905
	132,902		(3,588,130)						45,946,235
	(925,663)		16,025,105						
	33,541,743		(67,066,017)		–		–		649,994,444
			(43,392,735)				83,905,974	Ps.	125,710,640
			(1,641,993)				1,097,460		986,948
			(3,740,236)				7,282,983		22,932,310
			(13,830)				(18,142)		(69,726)
	–		(48,788,794)		–		92,268,275		149,560,172
Ps.	33,541,743	Ps.	(18,277,223)	Ps.	–	Ps.	(92,268,275)	Ps.	500,434,272

	Business combinations		Effect of translation		Hyperinflation restatement		Depreciation of the year		At December 31, 2013
Ps.	310	Ps.	(55,763,545)	Ps.	–	Ps.	–	Ps.	509,908,646
			(3,579,859)						48,227,443
	87,122		(4,654,256)						78,010,934
	1,268		(3,874,210)						39,831,975
			(975,281)						17,366,081
	88,700		(68,847,151)		–		–		693,345,079
			(33,975,506)				80,867,568		161,596,258
			(1,322,209)				1,973,707		1,607,313
			(2,485,845)				11,994,657		29,060,833
			(3,298)				57,869		(26,276)
	–		(37,786,858)		–		94,893,801		192,238,128
Ps.	88,700	Ps.	(31,060,293)	Ps.	–	Ps.	(94,893,801)	Ps.	501,106,951

	Business combinations		Effect of translation		Hyperinflation restatement		Depreciation of the year		At December 31, **2014**
Ps.	**54,202,020**	**Ps.**	**634,026**	**Ps.**	**143,886**	**Ps.**	**–**	**Ps.**	**642,617,237**
	5,271,503		**124,621**		**13,114**				**56,463,536**
	5,417,138		**2,586,726**		**21,200**				**114,563,600**
	2,600,498		**(491,799)**		**10,012**				**39,107,185**
	962,017		**(100,923)**		**–**				**20,848,714**
	68,453,176		**2,752,651**		**188,212**		**–**		**873,600,272**
			(2,950,031)		**98,918**		**92,400,728**		**234,527,131**
			125,881		**1,364**		**2,179,268**		**3,728,405**
			981,659		**18,933**		**13,334,198**		**39,798,683**
			10,235		**–**		**(5,025)**		**(50,265)**
	–		**(1,832,256)**		**119,215**		**107,909,169**		**278,003,954**
Ps.	**68,453,176**	**Ps.**	**4,584,907**	**Ps.**	**68,997**	**Ps.**	**(107,909,169)**	**Ps.**	**595,596,318**

c) On September 30, 2014, the Company signed the final acceptance certificate for a submarine cable system. The cable extends from the U.S. to Central America and Brazil, which provides international connectivity to all the Company subsidiaries in these geographic areas. The total investment capitalized at December 31, 2014 is Ps.4,275,682 (US$ 290,507).

d) At December 31, 2014, Claro Brasil has land and buildings and other equipment that is pledged in guarantee of legal proceedings in the amount of Ps. 4,012,658 (Ps.1,619,109 in 2013).

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

	Years ended December 31, 2012	2013	**2014**
Amount invested in the acquisition of qualifying assets	Ps. 52,849,800	Ps. 46,686,790	**Ps. 47,332,317**
Capitalized interest	3,152,811	3,002,756	**3,258,928**
Capitalization rate	6.0%	6.4%	**6.9%**

Capitalized interest is being amortized over a period of seven years, which is the estimated useful life of the related assets.

f) In January 2012, Star One entered into an agreement denominated in U.S. dollars with a manufacturer for the construction and launching of the Star One C-4 satellite. The cost of the project is estimated to be approximately Ps.4,268,220 (US$290,000). At December 31, 2013 and 2014, the amount of construction in process associated with this project amounts to and Ps.2,567,775 and Ps.3,332,567, respectively.

g) On July 9, 2013, Star One signed an agreement denominated in US dollars with a manufacturer for construction and launching of the Star One D1 satellite, which will be equipped with transponders in Bands C, Ku and Ka. The cost of this project is estimated to be approximately Ps. 5,946,072 (US$ 404,000) and the launch expected in the first quarter of 2016. The Star One D1 will replace the satellite BRASILSAT B4. At December 31, 2014, the amount recorded with in Construction in progress amounts to Ps.2,661,801.

11 Intangible assets

a) An analysis of intangible assets at December 31, 2012, 2013 and 2014 is as follows:

	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other
At December 31, 2012				
Licenses and rights of use	Ps. 130,061,372	Ps. 7,830,248	Ps. 12,414,914	Ps. –
Accumulated amortization	(91,530,473)	–	–	–
Net	38,530,899	7,830,248	12,414,914	–
Trademarks	12,311,880	–	–	–
Accumulated amortization	(9,305,026)	–	–	–
Net	3,006,854	–	–	–
Total of Intangibles, net	Ps 41,537,753	Ps. 7,830,248	Ps. 12,414,914	Ps. –
Goodwill	Ps. 73,038,433	Ps. –	Ps. 31,347,978	Ps. (278,756)
At December 31, 2013				
Licenses and rights of use	Ps. 133,760,960	Ps. 3,334,464	Ps. –	Ps. (2,158,796)
Accumulated amortization	(89,708,530)			
Net	44,052,430	3,334,464		(2,158,796)
Trademarks	11,598,559			387,926
Accumulated amortization	(10,455,244)			
Net	1,143,315			387,926
Total of Intangibles, net	Ps. 45,195,745	Ps. 3,334,464	Ps. –	Ps. (1,770,870)
Goodwill	Ps. 99,705,859	Ps. –	Ps. 1,200,061	Ps. (3,655,164)
At December 31, 2014				
Licenses and rights of use	**Ps. 123,083,514**	**Ps. 24,946,015**	**Ps. 27,504,303**	**Ps.**
Accumulated amortization	**(86,029,682)**			
Net	**37,053,832**	**24,946,015**	**27,504,303**	
Trademarks	**11,700,606**	**1,584,189**	**8,930,690**	
Accumulated amortization	**(10,534,300)**			
Net	**1,166,306**	**1,584,189**	**8,930,690**	
Customer relationships	**–**		**15,249,879**	
Accumulated amortization	**–**			
Net			**15,249,879**	
Total of Intangibles, net	**Ps 38,220,138**	**Ps. 26,530,204**	**Ps. 51,684,872**	**Ps –**
Goodwill	**Ps. 92,486,284**	**Ps. –**	**Ps. 51,316,970**	**Ps. (1,642,939)**

	Amortization of the year	Effect of translation of foreign subsidiaries, net	Balance at end of year
	Ps. –	Ps. (16,545,574)	Ps. 133,760,960
	(9,482,044)	11,303,987	(89,708,530)
	(9,482,044)	(5,241,587)	44,052,430
	–	(713,321)	11,598,559
	(1,589,880)	439,662	(10,455,244)
	(1,589,880)	(273,659)	1,143,315
	Ps. (11,071,924)	Ps. (5,515,246)	Ps. 45,195,745
	Ps. –	Ps. (4,401,796)	Ps. 99,705,859
	Ps.	Ps. (11,853,114)	Ps. 123,083,514
	(6,271,998)	9,950,846	(86,029,682)
	(6,271,998)	(1,902,268)	37,053,832
		(285,879)	11,700,606
	(241,976)	162,920	(10,534,300)
	(241,976)	(122,959)	1,166,306
	Ps (6,513,974)	Ps. (2,025,227)	Ps. 38,220,138
	Ps. –	Ps. (4,764,472)	Ps. 92,486,284
	Ps.	**Ps. (738,738)**	**Ps. 174,795,094**
	(6,013,565)	**811,998**	**(91,231,249)**
	(6,013,565)	**73,260**	**83,563,845**
		59,506	**22,274,991**
	(300,778)	**5,676**	**(10,829,402)**
	(300,778)	**65,182**	**11,445,589**
		56,288	**15,306,167**
	(485,951)		**(485,951)**
	(485,951)	**56,288**	**14,820,216**
	Ps. (6,800,294)	**Ps. 194,730**	**Ps. 109,829,650**
	Ps. –	**Ps. (1,256,924)**	**Ps. 140,903,391**

b) The aggregate carrying amount of goodwill is allocated as follows:

		2013		2014
Europe (7 countries)	Ps.	–	**Ps.**	**50,955,499**
Brazil (Fixed, wireless and TV)		22,483,917		**22,338,319**
Puerto Rico		17,463,394		**17,463,393**
Dominican Republic		14,186,724		**14,186,724**
Mexico (includes Telmex)		10,729,462		**9,734,666**
Ecuador		2,155,385		**2,155,385**
Peru		2,209,484		**2,230,651**
El Salvador		2,510,596		**2,510,596**
Chile		2,353,463		**2,308,587**
Colombia		14,402,035		**13,063,780**
Other countries		3,991,824		**3,955,791**
	Ps.	92,486,284	**Ps.**	**140,903,391**

c) The following is a description of the major changes in the "Licenses and rights of use" caption during the years ended December 31, 2012, 2013 and 2014:

2012 Acquisitions

i) In January 2012, Telmex Colombia acquired a new TV license for a period of 8 years, expiring in 2020. The amount paid was Ps.253,927.

ii) As part of the business combination of Net Serviços de Comunicação, S.A (now Claro Brasil), the Company recognized a license for an amount of Ps.12,414,914. Given recent changes in the telecommunications law, licenses in Brazil can be renewed indefinitely at nominal cost. Thus, these licenses are considered as indefinite life intangible and are not amortized.

iii) In September 2012, Claro Brasil renewed certain contracts related with its licenses of radio frequency of 450 MHz, and such licenses cover the following states of Brazil Acre, Rondonia, Tacantins, Bahia, Paraná, Santa Catarina, Rio de Janeiro, Espíritu Santo, Sao Paulo, Amazonas, Maranha, Roraima, Amapá and Pará. Such licenses expire in October 2027.

Also Claro Brasil acquired licenses related to 4G (fourth generation) services, or broadband of 2,500 MHz to provide 4G services in Brazilian territory, except for the Brazilian state of Amazonas. Such licenses expire up to October 2027.

Additionally, the licenses of 850 MHz which were to expire during 2012 and 2013 were renewed. These renewals expire in October 2027. The amount paid for these renewals was Ps.5,710,116.

2013 Acquisitions

i) In October 2013, Claro Colombia acquired radio spectrum band 2500 Mhz to 2690 Mhz for a period of 10 years. The amount paid was Ps.815,488.

ii) Claro Brasil and its subsidiaries acquired various radio frequencies and TV licenses, for a period that ranges from 3 to 19 years. The amount paid was Ps.2,149,074.

2014 Acquisitions

i) In March 2014, Claro Colombia renewed a license for the use of the radio spectrum granted to Comunicación Celular, S.A. (Claro) in the 824.040 Mhz to 891.480 Mhz and 1.877 Mhz to 1,965 Mhz bands for a period that ends in March 2024. The amount paid was Ps.1,018,190.

ii) On September 30, 2014, Claro Brasil obtained a license to provide the cellular service in the 700 national MHz frequency band. On December 8, 2014, Anatel assigned formally to Claro Brasil the frequency band. The total consideration for the acquisition of this band was Ps.15,588,866. Claro Brasil paid Ps.9,662,144 in 2014 and the remaining amount will be paid in four equal annual installments. The frequency band expires in 2029.

iii) As a part of the business combination of Telekom Austria, the Company recognized licenses for amount of for an amount of Ps.27,504,303. Telekom Austria holds mobile telecommunication licenses provided by regulatory authorities in Austria, Croatia, Slovenia, Serbia, Bulgaria, Belarus and Macedonia. These licenses are estimated to have a remaining useful life of 10 years.

iv) In 2014, Argentina paid Ps.4,151,753 (AR$ 2,385,379) for the acquisition of 4G licenses to increase the service in all the country.

v) Additionally the Company acquired other licenses in the Dominican Republic, Brazil and others in the amount of Ps.4,187,206.

d) Amortization of licenses, rights of use and trademarks for the years ended December 31, 2012, 2013 and 2014 amounted to Ps.11,071,924, Ps.6,513,974 and Ps.6,800,294, respectively.

12 Investments in associated companies and business combinations

a) The following is a summary of changes in the investment in the Company's associates during the years ended December 31, 2012, 2013 and 2014:

	Balance at December 31, 2011	Acquisition	Acquisition in business combinations	Disposals / Other	Equity interest in net income (loss) of associate	Equity interest in OCI and effect of translation	Balance at December 31, 2012
NET	Ps. 53,055,002	Ps. –	Ps. –	Ps. (53,055,002)	Ps. –	Ps. –	Ps. –
KPN		55,081,964	–		408,179	(482,669)	55,007,474
Telekom Austria		16,363,888	–		380,334	8,502	16,752,724
Other	1,163,021	379,564	–		(27,152)	(159,346)	1,356,087
Total	Ps. 54,218,023	Ps. 71,825,416	Ps. –	Ps. (53,055,002)	Ps. 761,361	Ps (633,513)	Ps. 73,116,285

Balance at

	Balance at December 31, 2012	Acquisition	Acquisition in business combinations	Disposals / Other	Equity interest in net income (loss) of associate	Equity interest in OCI and effect of translation	Balance at December 31, 2013
KPN	Ps. 55,007,474	Ps. 14,988,270	Ps. –	Ps. (6,040,933)	Ps. (244,514)	Ps. 5,522,000	Ps. 69,232,297
Telekom Austria	16,752,724			(88,461)	326,129	659,583	17,649,975
Other	1,356,087	838,373			(45,333)	(144,375)	2,004,752
Total	Ps. 73,116,285	Ps. 15,826,643	Ps. –	Ps. (6,129,394)	Ps. 36,282	Ps 6,037,208	Ps. 88,887,024

	Balance at December 31, 2013	Acquisition	Acquisition in business combinations	Disposals / Other	Equity interest in net income (loss) of associate	Equity interest in OCI and effect of translation	Balance at December 31, 2014
KPN	Ps. 69,232,297	Ps.	Ps.	Ps. (17,620,649)	Ps. (5,232,635)	Ps. 36,896	Ps. 46,415,909
Telekom Austria	17,649,975	1,770,112		(18,553,725)	(819,000)	(47,362)	–
Other	2,004,752	884,230	180,900	(358,316)	(21,374)	156,480	2,846,672
Total	Ps. 88,887,024	Ps. 2,654,342	Ps. 180,900	Ps. (36,532,690)	Ps. (6,073,009)	Ps. 146,014	Ps. 49,262,581

b) The following is a description of the major acquisitions of investments in associates and subsidiaries during the years ended December 31, 2012, 2013 and 2014:

Acquisitions 2012

i) Acquisition of Control over NET (now Claro Brasil)

On January 26, 2012, the National Telecommunications Agency of Brazil, expressed its consent to the transfer of control of NET. This authorization then allowed Embrapar (Now Claro Brasil) to exercise a call option on the shares held by GB Empreendimentos e Participaçoes SA ("GB"), a company that previously controlled NET, which until that time was controlled by Globo Cominicação e Particpaçoes S.A. ("Globo"). Once this option was exercised, Embrapar and its subsidiary Embratel (Now Claro Brasil) would have voting control of NET. The ability to exercise the option resulted in the Company effectively controlling NET.

On March 5, 2012 Embrapar exercised the option and purchased ordinary shares of GB. The acquired shares represented 5.5% of the ordinary shares and Embrapar reached 54.54% in the voting capital of GB. As a result of this transaction, América Móvil held an equity interest (directly and indirectly) in NET of 88.0%.

América Móvil obtained control of NET, in accordance with IFRS 3, *Business combinations,* and recognized the fair value of NET's assets acquired, liabilities assumed and non-controlling interest. As part of the business combination, América Móvil derecognized its equity method investment in NET. The difference between the carrying value and the acquisition date fair value of the equity method investment in NET that was derecognized was not material and accordingly, no gain or loss was recognized.

NET's operating results were consolidated in the statement of comprehensive income beginning January 1, 2012.

The consideration transferred to acquire NET consists of the fair value of the equity method investment previously held, plus the amount of cash required to exercise the option to control NET, as shown in the table below.

The fair value of the net assets acquired is as follows:

Other current assets	Ps.	10,332,298
Plant and equipment		33,482,219
Intangibles		19,287,138
Others non currents assets		2,821,826
Total of assets acquired	Ps.	65,923,481
Liabilities and account payable short-term	Ps.	16,062,621
Liabilities and account payable short-term		6,998,214
Long term debt		16,165,150
Total of liabilities assumed		39,225,985
Fair value of net assets identified		26,697,496
Fair value of non-controlling interest		(3,798,181)
Goodwill recognized on acquisition		30,601,656
Purchase consideration transferred		(47,951)
Fair value of investment in NET de-recognized at the acquisition date	Ps.	53,453,020

ii) KoninKlijke KPN N.V. ("KPN")

On May 29, 2012, AMOV Europa B.V. ("AMOV"), a wholly-owned subsidiary of América Móvil, commenced a partial tender offer in cash to all holders of ordinary shares of Koninklijke KPN N.V. ("KPN"). KPN is the leading telecommunications service provider in the Netherlands, which offers fixed-line and wireless telecommunications services, internet and Pay TV to consumers, and end-to-end telecommunications services to business customers. AMOV offered to purchase up to the number of shares that would result in AMOV and América Móvil holding 393,283,000 shares (representing a total of up to approximately 27.7% of all outstanding shares of KPN). The offer expired on June 27, 2012, and more than a sufficient number of shares needed for us to reach the maximum ownership amount of 27.7% of the outstanding shares was tendered. Upon closing of the tender offer, the total aggregate cost of the Company's investment in KPN is approximately €3,047 million (Ps.52,200,000).

During April 2013, KPN launched a rights offering to raise up to €3,000 billion of equity. Pursuant to the Company's agreement with KPN, the Company subscribed for new shares in the rights offering in proportion to the Company's previous ownership of KPN shares. Upon settlement of the offering on May 17, 2013, the Company paid € 895.8 million (Ps.14,200,000) and owned a total of 1,267,677,000 shares of KPN, continuing to represent 29.7% of the outstanding shares of KPN.

In August and November 2013, the Company received dividends for an amount of Ps.88,461 and Ps.123,932, respectively. The dividends received in 2014 amounted to Ps.359,413

In November 2013, the Company sold shares of KPN representing 2.38% of KPN's outstanding shares for an amount of Ps.4.3 billion. At December 31, 2012 and 2013, the Company held 29.77% and 27.39% of the outstanding shares of KPN.

Since April 2013, the Company has had two representatives on KPN's Supervisory Board of a total of at least five and no more than nine members representatives. On August 9, 2013, the Company announced its intention to make a tender offer in cash for all of KPN's ordinary shares that it did not already own (the "Intended KPN Offer") at a price of € 2.40 per share. On August 29, 2013, the KPN Preference Shares B Foundation (Stichting Preferente Aandelen B KPN or the "KPN Foundation"), an independent legal entity with the statutory goal of protecting KPN's interests (which includes the interests of stakeholders, such as customers, shareholders and employees), exercised a call option in respect of securities of KPN. As a result, the KPN Foundation then held preferred shares of KPN representing 50% of the voting shares less one share, making América Móvil's goal of acquiring more than 50% of the voting rights for KPN unachievable. On October 16, 2013, the Company announced that it would not launch the Intended KPN Offer. On January 10, 2014 at KPN's Extraordinary General Meeting of Shareholders the requested approvals to cancel all outstanding preference shares B effective on March 21, 2014, were granted.

América Móvil's interest in KPN is accounted for using the equity method in the consolidated financial statements because although the voting rights of the Company were reduced to 14.9% at December 31, 2013, its economic interests remained at 29.70% and the Company kept its two seats on the Supervisory Board which is greater than 20% of Board representation, and which is the ultimately responsible for all decision-making. After the cancellation of the preference shares held by the KPN Preference Shares B Foundation, the voting rights of AMX became equal to its economic interest which as of December 31, 2014 is 21.4%.

Summarized financial information of the associate, based on its IFRS financial information (adjusted for the Company's basis in such investee) is set out below:

	At December 31, 2013	2014
Current assets	Ps. 93,826,748	Ps. 60,272,768
Non current assets	400,042,101	308,341,906
Current liabilities	115,787,347	86,287,101
Non current liabilities	312,336,501	222,483,131
Equity	65,745,001	59,844,442
Non-controlling interests	(952,465)	(1,014,933)
Total equity	Ps. 64,792,536	Ps. 58,829,509

	2012 (1)	2013	2014
Revenues	Ps. 106,086,293	Ps. 143,714,146	Ps. 142,670,935
Operative expenses and other costs	104,714,118	144,547,525	156,404,795
Net income (loss)	1,372,175	(833,379)	(13,733,860)
Other comprehensive income (loss) items	(1,207,623)	2,798,965	1,394,408
Net comprehensive income for the year	Ps. 164,552	Ps. 1,965,586	Ps. (12,339,452)
Net income (loss) attributable to equity holders of the parent	1,338,630	(952,123)	(13,980,970)
Non - controlling interest	33,545	118,744	247,110
	Ps. 1,372,175	Ps. (833,379)	Ps. (13,733,860)

	2012 (1)	2013	2014
Net comprehensive income (loss) attributable to equity holders of the parent	131,007	1,846,843	(12,586,562)
Non – controlling interest	33,545	118,744	247,110
	Ps. 164,552	Ps. 1,965,587	Ps. (12,339,452)

(1) AMX acquired its equity interest in KPN during the second quarter of 2012, and the equity method results for 2012 were not material to its financial statements. This summarized financial information represents amounts for the entire year ended December 31, 2012.

Below is a reconciliation of the equity attributable to the KPN's shareholders in the table above with the equity method investment as of December 31, 2013 and 2014:

	2013	2014
Equity attributable to the KPN's shareholders	Ps. 64,792,535	Ps. 58,844,442
AMX share at December 31	27.39%	21.40%
	17,746,675	12,592,711
Goodwill	51,485,622	33,823,198
Total investment in KPN	Ps. 69,232,297	Ps. 46,415,909

As discussed in Note 2 k), the Company's policy is to evaluate at each reporting date, whether there is any objective evidence that an investment in associate is impaired. If there is a potential impairment, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the associate and its carrying value, and recognizes the impairment loss in its share of profit or loss of the associate in the consolidated statement of comprehensive income.

As of December 31, 2013 and 2014, the Company owned 1,169,797,301 and 912,989,841 shares of KPN, with a carrying value of Ps. 69,232,297 and Ps.46,415,909, respectively. KPN's shares are traded on the Amsterdam Stock Exchange, and the closing price for such shares was €2.34 and € 2.63 per share at December 31, 2013 and 2014, respectively, equating to a Level 1 fair value of the Company's investment in KPN of Ps.49,255,640 and Ps.42,884,773 at December 31, 2013 and 2014 exchange rates. As of December 31, 2013 and 2014, the carrying value of the investment in KPN was Ps.19,976,657 and Ps.3,531,136, respectively, in excess of its Level 1 fair value. The Level 1 fair value of KPN increased to Ps.53,761,151 as of April 28, 2015, which exceeds its carrying value at that date.

Under IAS 39, either a significant or a prolonged decline of the Level 1 fair value of an equity security below its carrying value is objective evidence of impairment. Impairment is then recognized as the difference between the carrying value of the equity investment and the greater of its Level 1 fair value and the underlying equity investment's value in use.

For 2013, the Company performed a value-in-use computation for its equity method investment in KPN as of December 31, 2013. The value-in-use computation was based in-part on KPN's actual financial results for 2013 and financial projections for the years 2014 to 2016. Beyond the three-year period of the KPN projections, free-cash flow was projected by the Company at 0.5% real growth rate to perpetuity (2.5% nominal, including projected inflation). The Company applied a discount rate of 7.2% (nominal) to the projected free cash flows of KPN, which was the estimated weighted average cost of capital. Based on the computation performed, a value in use of the Company's then 27.40% ownership interest exceeded its carrying value and thus no impairment charge was required in the Company's 2013 or 2014 consolidated financial statements.

iii) Telekom Austria

On June 15, 2012, the Company agreed to acquire approximately 21% of the outstanding shares of Telekom Austria from Marathon Zwei Beteiligungs GmbH, a wholly-owned subsidiary of RPR Privatstiftung, a private trust established by Mr. Ronny Pecik. Under the agreement, the Company acquired 5% of the outstanding shares of Telekom Austria, and the right to acquire additional shares. On September 25, 2012, the Company exercised this right and acquired approximately 16% of the outstanding shares of Telekom Austria, after receiving the required regulatory approvals. As of September 30, 2012, the Company held 22.76% of the outstanding shares of Telekom Austria. The total aggregate costs of the Company's investment in Telekom Austria is approximately €954 million (Ps.15,977,000). Telekom Austria provides telecommunications services in Austria, Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovenia.

The Company owned 104,875,874 shares of Telekom Austria, with a carrying value of Ps.17,649,976 as of December 31, 2013. Telekom Austria shares are traded on the Vienna Stock Exchange; however, the Company purchased its investment in Telekom Austria's through a private transaction enabling the Company to obtain the size of the holdings it desired. The Level 1 fair value of the Company's investment in Telekom Austria was Ps.10.4 billion as of December 31, 2013, which was Ps.7.3 billion less than its carrying value.

The Company performed a value-in-use computation for its equity method investment in Telekom Austria as of December 31, 2013. The value-in-use computation was based in-part on Telekom Austria's actual financial results for 2013 and financial projections for the years 2014 to 2016. Beyond the three-year period of the Telekom Austria projections, free-cash flow was projected by the Company at 1.0% real growth rate to perpetuity. The Company applied a discount rate of 6.9% (nominal) to the projected free cash flows of Telekom Austria, which is the estimated weighted average cost of capital. Based on the computation performed, a value in use of the Company's 22.33% ownership interest of Ps.20.0 billion was estimated as of December 31, 2013, respectively, thus no impairment charge was required in the Company's 2013 consolidated financial statements.

During the period January to June 30, 2014, the Company acquired additional shares of TKA for an amount of $4,750,919 to raise its ownership to 27.2%. As explained below, during 2014 the Company obtained control and began consolidating Telekom Austria and accordingly de-recognized its equity method investment as of that date.

Other acquisitions 2012

iv) DLA, Inc. ("DLA")

On January 6, 2012, América Móvil entered into an agreement with Claxson Interactive Group, Inc., and acquired as of such date 100% of the shares representing the capital stock of DLA, Inc. ("DLA"). The amount paid was Ps.615,927 (US$50,000). DLA is a corporation involved in the development, integration and delivery of entertainment products made for digital distribution in Latin America.

v) Simple Mobile, Inc.

On June 19, 2012, Tracfone Wireless Inc (subsidiary) acquired 100% of the operations of Simple Mobile Inc. for approximately US$118,000 (Ps.1,651,700). Simple Mobile, Inc. is a mobile virtual network operator ("MVNOs") in the United States, with more than 2.5 million customer activations.

vi) In September 2012, the Company acquired an equity interest in other Mexican entities for an amount of Ps.379,564 .

Acquisitions - 2013

i) Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE")

On April 30, 2013 América Móvil, entered into an agreement with Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE"), to acquire 100% shares of Corporación de Medios Integrales, S.A. de C.V. ("CMI") for an amount of Ps.1,668,000 (US$131,300). CMI holds the media and advertising business within the commercial segment at CIE. The goodwill is Ps.1,200,061.

ii) Shazam Entertainment Limited ("Shazam")

On July 8, 2013, América Móvil acquired 10.8% of shares representing the capital stock of Shazam Entertainment Limited ("Shazam"), and entered into a strategic agreement for a business development in the Americas. The amount paid was Ps.527,536.

Acquisitions - 2014

i) Telekom Austria

On July 10, 2014, the Company through share acquisition and a Shareholders´ Agreement obtained control of the telecommunications company Telekom Austria, acquiring an additional 22.79% of the outstanding shares to reach share ownership of 50.81%. The main goal for the Company was the further development of Telekom Austria. This acquisition was valuated at its fair value at the purchase date. The total purchase price was Ps. 28,637,635. Acquisition costs were expensed by the Company as incurred and recorded as a part of "Other expenses" in the consolidated statement of comprehensive income for an immaterial amount. Telekom Austria was included in operating results from July 1, 2014.

As a result the Company derecognized the investment in the associate Telekom Austria upon consolidation. As part of the recognition of its previous equity investment in Telekom Austria, the Company recognized a loss of Ps.3,172,218 recognized in the "Valuation of derivatives, interest cost from" caption on the consolidated statement of comprehensive income.

The Company´s purchase price was based upon a valuation and the Company´s estimates and assumptions.

The Company´s fair values of the net identifiable assets and liabilities as at the date of the transaction are as follows:

Cash and cash equivalents	Ps.	2,180,899
Trade receivables		12,023,422
Other current assets		4,745,510
Property and equipment		68,453,157
Licenses and rights of use		27,504,303
Trademarks		8,930,690
Customer relationships		14,184,227
Investments in shares		180,900
Deferred tax asset		2,146,300
Total assets acquired		140,349,408
Liabilities and account payable short-term		34,041,011
Liabilities and account payable long-term		18,560,409
Deferred tax liability		8,518,783
Long term debt		62,307,922
Total liabilities assumed		123,428,125
Total identified net assets at fair value	Ps.	16,921,283
Non-controlling interest measured at fair value (49.19% of net assets)		(39,239,141)
Goodwill arising on acquisition		50,955,493
Fair value of the investment in Telekom Austria at the acquisition date	**Ps.**	**28,637,635**
Consideration transferred:		
Fair value of the prior equity method investment	Ps.	15,381,507
Cash paid		13,256,128
Total consideration transferred	**Ps.**	**28,637,635**

		Cash-flow for acquisition
Analysis of cash flows for acquisition:		
Cash paid	Ps.	(13,256,128)
Cash acquired with the subsidiary		2,180,899
Net cash flow on acquisition	**Ps.**	**(11,075,229)**

Goodwill at the date of the consolidation:		Goodwill
Controlling interest	Ps.	25,890,485
Non-controlling interest		25,065,008
Total	**Ps.**	**50,955,493**

The fair value of the trade receivables which approximates its book value amounted to Ps.12,023,422. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the European segment. None of the goodwill recognized is expected to be deductible for income tax purposes.

During the period from July 1, 2014 through December 31, 2014, the Company acquired an additional 38.4 million shares of Telekom Austria, which equates to an additional shareholding of approximately 8.68%. The Company paid Ps. 4,796,332 for these shares, and now owns 59.70% of Telekom Austria as of December 31, 2014. This additional acquisition of shares was accounted as equity transactions as the Company has control over this subsidiary.

ii) Unaudited pro forma financial data

The following pro forma consolidated financial data for the years ended December 31, 2014, is based on the financial statements of the Company adjusted to give effect to (i) the acquisition of Telekom Austria; and (ii) certain accounting adjustments of the assets and liabilities of the acquired company.

The pro forma results of operations assume that the acquisition was completed at the beginning of the acquisition year and are based on the information available and some assumptions that the management believes are reasonable. The pro forma financial data not intended to indicate what the operations of the Company had been if the operations were occur at that date, or predict the results of the operations of the Company.

		2014
Operating revenues	**Ps.**	**883,831,810**
Profit before income taxes		**85,047,796**
Net income		**45,713,130**

The pro-forma financial data does not reflect the other 2014 acquisitions discussed below as they were not material to the Company's financial position or results of operations.

iii) Acquisition of Page Plus

On January 16, 2014, Tracfone Wireless Inc. (subsidiary of the Company) acquired Start Wireless Group for the brand known as Page Plus. This business was acquired in order to expand the Company's distribution channels, add an incremental revenue stream, and assist in the growth of subscribers. The purchase price of the acquisition was Ps.1,583,773 (US$120,000). The cash used in the acquisition was approximately Ps.835,353 (US$63,900). The results of operations of Page Plus are included in the results of operations from January 16, 2014. The goodwill recorded as part of this acquisition is Ps.277,911.

iv) V-Sys

On April 9, 2014, Telmex acquired 100% of the shares of V-sys, company that offers value added services of unified companies and information technologies for an amount of Ps.174,182. The goodwill recognized amounted to $ 83,559.

c) Consolidated subsidiaries with non-controlling interests

Financial information of subsidiaries that have material non-controlling interest are Telmex Internacional ("Telint"), Telefonos de México ("Telmex") and Telekom Austria. A Condensed consolidated statements of financial position and comprehensive income as of and for the years ended December 31, 2013 and 2014 for such subsidiaries are as follows:

Telmex Internacional, S.A. de C.V. and subsidiaries

Condensed Consolidated Statements of Financial Position

	December 31			
		2013		**2014**
Assets				
Current assets	Ps.	36,069,032	**Ps.**	**36,619,498**
Non-current assets		192,026,144		**204,068,059**
Total assets	Ps.	228,095,176	**Ps.**	**240,687,557**
Liabilities and equity				
Current liabilities	Ps.	64,350,774	**Ps.**	**51,183,403**
Long-term liabilities		52,009,944		**43,270,779**
Total liabilities		116,360,718		**94,454,182**
Equity attributable to equity holders of the parent		83,055,435		**84,549,914**
Non-controlling interest		28,679,023		**61,683,461**
Total equity		111,734,458		**146,233,375**
Total liabilities and equity	Ps.	228,095,176	**Ps.**	**240,687,557**

Condensed Consolidated Statements of Comprehensive Income

		December 31				
		2012		2013		**2014**
Operating revenues	Ps.	137,890,557	Ps.	134,468,355	**Ps.**	**142,470,334**
Operating costs and expenses		125,850,174		124,931,875		**135,143,945**
Operating income		12,040,383		9,536,480		**7,326,389**
Net income (loss)		2,645,378		1,228,339		**(4,290,666)**
Comprehensive income (loss)	Ps.	(10,643,451)	Ps.	(12,130,741)	**Ps.**	**5,278,560**
Net income attributable to:						
Equity holders of the parent	Ps.	2,551,586	Ps.	320,704	**Ps.**	**(4,568,898)**
Non-controlling interest		93,792		907,635		**278,232**
	Ps.	2,645,378	Ps.	1,228,339	**Ps.**	**(4,290,666)**
Comprehensive income (loss) attributable to:						
Equity holders of the parent	Ps.	(8,762,527)	Ps.	(8,926,543)	**Ps.**	**(5,046,613)**
Non-controlling interest		(1,880,924)		(3,204,198)		**10,325,173**
	Ps.	(10,643,451)	Ps.	(12,130,741)	**Ps.**	**5,278,560**

Teléfonos de México, S.A.B. de C.V. and subsidiaries

Condensed Consolidated Statements of Financial Position

	December 31			
		2013		2014
Assets				
Current assets	Ps.	40,008,522	Ps.	32,120,923
Non-current assets		76,269,460		81,608,709
Total assets	Ps.	116,277,982	Ps.	113,729,632
Liabilities and equity				
Current liabilities	Ps.	31,275,189	Ps.	33,556,079
Long-term liabilities		78,747,388		70,116,141
Total liabilities		110,022,577		103,672,220
Equity holders of the parent		5,883,014		9,690,878
Non-controlling interest		372,391		366,534
Total equity		6,255,405		10,057,412
Total liabilities and equity	Ps.	116,277,982	Ps.	113,729,632

Condensed Consolidated Statements of Comprehensive Income

	December 31					
		2012		2013		2014
Operating revenues	Ps.	106,243,636	Ps.	105,593,250	Ps.	106,952,546
Operating costs and expenses		88,277,034		88,807,950		89,304,079
Operating income		17,966,602		16,785,300		17,648,467
Net income		10,752,125		7,692,975		6,276,506
Comprehensive income	Ps.	13,923,611	Ps.	917,884	Ps.	3,365,518
Net income attributable to:						
Equity holders of the parent	Ps.	10,760,827	Ps.	7,719,097	Ps.	6,281,627
Non-controlling interest	(	8,702)	(	26,122)	(	5,121)
	Ps.	10,752,125	Ps.	7,692,975	Ps.	6,276,506
Comprehensive (loss) income attributable to:						
Equity holders of the parent	Ps.	13,933,138	Ps.	941,046	Ps.	3,371,375
Non-controlling interest	(	9,527)	(	23,162)	(	5,857)
	Ps.	13,923,611	Ps.	917,884	Ps.	3,365,518

Telekom Austria

Condensed Consolidated Statements of Financial Position

		December 31
		2014
Assets		
Current assets	Ps.	35,584,231
Non-current assets		112,526,514
Total assets	Ps.	148,110,745
Liabilities and equity		
Current liabilities	Ps.	27,377,325
Long-term liabilities		81,209,684
Total liabilities		108,587,009
Equity holders of the parent		39,502,458
Non-controlling interest		21,278
Total equity		39,523,736
Total liabilities and equity	Ps.	148,110,745

Condensed Consolidated Statements of Comprehensive Income (loss)

		For the six months ended December 31, 2014
Operating revenues	Ps.	37,392,067
Operating costs and expenses		33,526,607
Operating income		3,865,460
Net income		2,358,676
Comprehensive loss	Ps.	1,747,203
Net income attributable to:		
América Móvil	Ps.	2,360,848
Non-controlling interest		(2,172)
	Ps.	2,358,676
Comprehensive (loss) income attributable to:		
América Móvil	Ps.	1,745,018
Non-controlling interest		2,185
	Ps.	1,747,203

13 Income Taxes

As explained previously in these consolidated financial statements, the Company is a Mexican corporation which has numerous consolidated subsidiaries operating throughout the world. Presented below is a discussion of income tax matters that relates to the Company´s consolidated operations, its Mexican operations and significant foreign operations.

i) Consolidated income tax matters

The composition of income tax expense for the years ended December 31, 2012, 2013 and 2014 is as follows:

		2012		2013		2014
In Mexico:						
Current year income tax	Ps.	27,123,124	Ps.	20,396,868	Ps.	26,891,333
Deferred income tax		781,410		(5,936,699)		304,232
Effect of changes in tax rate		155,599		138,849		–
Foreign:						
Current year income tax		21,047,770		17,955,532		18,212,915
Deferred income tax		(3,124,451)		(2,161,819)		(5,700,931)
	Ps.	45,983,452	Ps.	30,392,731	Ps.	39,707,549

Deferred tax related to items recognized in OCI during the year:

		2012		2013		2014
Remeasurement of defined benefit plans	Ps.	(76,078)	Ps.	73,620	Ps.	(1,650,959)
Effect of financial instruments acquired for hedging purposes		(49,790)		(43,499)		23,267
Other				555,879		278,776
Deferred tax charged to OCI	Ps.	(125,868)	Ps.	586,000	Ps.	(1,348,916)

A reconciliation of the statutory income tax rate in Mexico to the consolidated effective income tax rate recognized by the Company is as follows:

	Year ended December 31, 2012	2013	2014
Statutory income tax rate in Mexico	30.0%	30.0%	30.0%
Impact of non-deductible and non-taxable items:			
Tax inflation effects	4.0%	5.7%	6.0%
Operations of foreign subsidiaries	(0.3%)	(0.7%)	(0.9%)
Tax loss on sale of financial asset restructuring	–	(8.3%)	–
Other	(3.9%)	(4.6%)	0.7%
Effective tax rate on Mexican operations	29.8%	22.1%	35.8%
Change in estimated realization of deferred tax assets in Brazil	(0.3%)	0.9%	0.2%
Use of tax credits in Brazil	(1.1%)	(0.3%)	(0.1%)
Equity interest in net loss of associated companies	–	–	2.1%
Loss on derecognition of equity method investment	–	–	1.1%
Loss on partial sale of investment in associated company	–	–	1.9%
Foreign subsidiaries – other items, net	5.0%	6.1%	4.5%
Effective tax rate	33.4%	28.8%	45.5%

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

	Consolidated statement of financial position		Consolidated statement of comprehensive income		
	2013	**2014**	2012	2013	**2014**
Provisions	Ps. 20,968,918	**Ps. 19,600,222**	Ps. (1,179,604)	Ps. 1,015,977	**Ps. (2,556,720)**
Deferred revenues	6,007,054	**7,153,093**	180,571	1,356,538	**1,146,039**
Tax losses carry forward	14,712,712	**16,242,979**	(1,982,931)	(3,840,565)	**1,378,615**
Property, plant and equipment	(21,646,503)	**(19,190,057)**	(728,966)	(1,545,322)	**2,805,277**
Inventories	4,048,858	**3,279,763**	(2,313,373)	1,310,739	**(769,095)**
Licenses and rights of use	(1,625,783)	**(5,062,334)**	518,663	914,062	**136,034**
Deferred effects of tax consolidation in Mexican subsidiaries	(4,164,356)	**(3,594,246)**	35,822	3,004,672	**570,110**
Employee benefits	17,606,276	**19,720,588**	(1,472,849)	2,596,157	**3,263,517**
Other	13,318,101	**10,880,733**	4,755,225	3,147,411	**(577,077)**
Net deferred tax assets/(liabilities)	Ps. 49,225,277	**Ps. 49,030,741**			
Deferred tax expense/(benefit) in net profit for the year			Ps. (2,187,442)	Ps. 7,959,669	**Ps. 5,396,700**

Reconciliation of deferred tax assets and liabilities, net:

	2012	2013	**2014**
Opening balance as of January 1,	Ps. 40,061,740	Ps. 35,982,186	**Ps. 49,225,277**
Deferred tax benefit (expense) and effect of changes in tax rate recognized in profit or loss	(2,187,442)	7,959,690	**5,396,700**
Benefit for tax credits in Brazil			**1,138,742**
Deferred tax benefit (expense) recognized in OCI	(125,868)	586,000	**(1,348,915)**
Deferred taxes acquired in business combinations	(1,766,244)	4,697,421	**(5,381,063)**
Closing balance as of December 31,	Ps. 35,982,186	Ps. 49,225,277	**Ps. 49,030,741**
Presented in the consolidated statements of financial position as follows:			
Deferred income tax assets	Ps. 44,372,129	Ps. 50,853,686	**Ps. 66,500,539**
Deferred income tax liabilities	(8,389,943)	(1,628,409)	**(17,469,798)**
	Ps. 35,982,186	Ps. 49,225,277	**Ps. 49,030,741**

The deferred tax assets are in tax jurisdictions in which the Company considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate taxable income in subsequent periods.

The Company does not recognize a deferred tax liability related to the undistributed earnings of its subsidiaries, because it currently does not expect these earnings to be taxable or to be repatriated in the near future. The Company's policy has been to distribute the profits when it has paid the corresponding taxes in its home jurisdiction and the tax can be accredited in Mexico.

At December 31, 2013 and 2014, the balance of the contributed capital account ("CUCA") is Ps.417,052,837 and Ps.442,103,804, respectively. As of December 31, 2013, the balance of the consolidated CUFIN was Ps. 415,327,853. Due to the changes in the Mexican income tax law, beginning January 1, 2014 the CUFIN is computed on an America Móvil's stand-alone basis. The balance of the America Movil's stand-alone basis amounted to Ps.101,896,803 and Ps.100,511,666 as of December 31, 2013 and 2014 respectively.

ii) Mexican income tax matters

América Móvil, S.A.B. de C.V. was the controlling company in the tax consolidation in accordance with previously existing corporate and tax law through December 31, 2013. Through 2013, the Company determined its income tax for each year on a consolidated basis with its Mexican subsidiaries, which in simple terms consisted of including the taxable income or tax loss of each Mexican subsidiary in AMX's tax results, in proportion to a given percentage of América Móvil's equity interest in each subsidiary.

As a result of the 2014 Tax Reform, on December 11, 2013, new income tax law was passed and the Business Flat Tax was repealed.

Prior Tax Consolidation

In 2010, Mexico's tax consolidation regime was significantly amended to establish a maximum deferral period for current year income tax of five years while requiring previously applied tax consolidation benefits to be reversed (commonly referred to as "recaptured") and remitted to the tax authorities in installments over the sixth to tenth years subsequent to the year in which the benefits were taken.

Therefore, in 2010, the Company calculated the income tax it had deferred through 2004. From 2011 through 2013, it calculated its income tax corresponding to 2005 through 2007. Similarly, these taxes must be remitted in 5 annual installments.

Tax consolidation benefits resulted from:

i) Tax losses applied in the tax consolidation that would not have otherwise been carried forward individually by the entity that generated them; and

ii) Other items (apart from tax losses) that give rise to tax consolidation benefits, including losses on sales of shares not deducted individually by the entity that generated them; special consolidation items related to transactions carried out between consolidating entities; and dividends declared by consolidated subsidiaries as of 1999 that were not paid from the balance of their CUFIN or the Net reinvested taxed profits account ("CUFINRE").

The individual CUFIN and CUFINRE balances of the group's entities can result in taxable profits in conformity with the Mexican Income Tax Law ("MITL"). These amounts are referred to as "CUFIN differences." As a result of these changes, in 2014 América Móvil released provisions related to prior year tax losses used in tax consolidation and payment of differences on CUFINRE for an amount of Ps. 2,601,000, which represents a benefit in the effective tax rate calculation above.

The deconsolidation effects with respect to tax losses that were carried forward under the consolidation regime amounted to Ps.3,279,356, which is being paid by the Company in the amounts and terms set forth in the law.

Optional Regime

The new Income Tax Law establishes the optional regime for corporate groups to defer the remittance of the deferred income tax of the group's subsidiaries, under the terms and conditions established in Articles 59 to 71 of the MITL. In addition to the above, the Company meets the requirements for adopting this regime in conformity with Article 60 of the MITL and accordingly, the Company filed its notice of incorporation into the optional regime under the terms and conditions published by the tax authority on February 17, 2014. Also, in conformity with rule 1.3.22.8 of the Miscellaneous Tax Rules, the Company has declared its intention to take the option contained in such rule, which allows companies with unused tax losses at December 31, 2013 to carry forward these losses under the new regime.

Corporate tax rate

The income tax rate applicable in Mexico from 2012 through 2014 was 30%.

ii) Significant foreign income tax matters

a) Results of operations

The foreign subsidiaries determine their taxes on profits based on their individual taxable income, in accordance with the specific tax regimes of each country. The combined income before taxes and the combined provision for taxes of such subsidiaries in 2012, 2013 and 2014 are as follows:

		2012		2013		**2014**
Combined income before taxes	Ps.	42,628,730	Ps.	29,270,337	**Ps.**	**13,256,266**
Combined tax provision differences not deductible-not cumulative in the Foreign Subsidiaries		17,923,319		15,793,713		**12,511,984**

iii) Tax losses

a) At December 31, 2014, the available tax loss carryforwards recorded in deferred tax assets are as follows on a country by country basis:

Country		Balance of available tax loss carryforwards at December31, **2014**		Tax loss carryforward benefit
Brazil	**Ps.**	**49,384,971**	**Ps.**	**14,815,490**
Mexico		**3,807,039**		**1,142,112**
Peru		**445,750**		**133,725**
Austria		**505,507**		**151,652**
Total	**Ps.**	**54,143,267**	**Ps.**	**16,242,979**

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

b i) The Company has accumulated Ps.49,384,971 in net operating loss carry-forwards ("NOL's") in Brazil as of December 31, 2014. In Brazil there is no expiration of the NOL's. However, the NOL amount in each year may not exceed 30% of the taxable income for such year. Consequently, in the year in which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate tax rate.

Deferred tax assets are recognized for tax losses to the extent that the realization of the related tax benefit through future taxable profits is probable, as well as for other temporary items. The benefit in income taxes expense for the years ended December 31, 2012, 2013 and 2014, attributable to the change in estimate over the recoverability of the tax loss carry forwards, was Ps.1,200,520, Ps.2,321,679 and Ps.10,505,928, respectively, and is shown as a credit in deferred income tax.

Through December 31, 2013, separate legal entities in Brazil did not file tax returns on a consolidated basis. On December 31, 2014 several of the Company's subsidiaries in Brazil were merged increasing the probability that the recorded NOL's will be ultimately recovered. The Company believes that it is more likely than not that it will recognize the benefit of its NOL's in future periods, primarily through continuing merged operations, tax planning strategies, and other sources of taxable income.

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

iii) In Mexico the tax loss carryforwards expire in ten years on a stand-alone basis.

iv) In Austria, the loss carryforwards have no expiration, but its annual usage is limited to 75% of the taxable income of the year.

14 Debt

a) The Company´s short-term and long-term debt consists of the following:

			At December 31, 2013	
Currency	Loan	Interest rate	Maturity from 2014 to	Total
U.S. dollars				
	ECA credits (fixed rate) (ii)	2.52%	2017	Ps. 973,269
	ECA credits (floating rate) (ii)	L+0.35%, L+0.50% and L+0.75%	2018	3,602,208
	Fixed-rate Senior notes (i)	2.375% - 8.57%	2042	197,427,022
	Floating rate Senior notes (i)	L + 1.0%	2016	9,807,375
	Financial Leases (Note 20a)	3.75%	2015	217,525
	Lines of credit (iv)	7.25% - 7.75%	2023	2,183,776
	Subtotal U.S. dollars			214,211,175
Mexican pesos				
	Fixed-rate Senior notes (i)	6.45% - 9.00%	2037	61,732,805
	Floating rate Senior notes (i)	TIIE + 0.40% - 1.50%	2016	15,600,000
	Subtotal Mexican pesos			77,332,805
Euros				
	Fixed-rate Senior notes (i)	3.0% - 6.375%	2073	106,927,652
	Subtotal Euros			106,927,652
Sterling pounds				
	Fixed-rate Senior notes (i)	4.375% - 6.375%	2073	59,539,593
	Subtotal Sterling pounds			59,539,593
Swiss francs				
	Fixed-rate Senior notes (i)	1.125% - 2.25%	2018	15,377,226
	Subtotal Swiss francs			15,377,226
Reais				
	Lines of credit	3.0% and 4.50%	2018	2,842,941
	Subtotal Brazilian reais			2,842,941
Colombian pesos				
	Fixed-rate Senior notes (i)	7.59%	2016	3,053,941
	Subtotal Colombian pesos			3,053,941
Other currencies				
	Fixed-rate Senior notes (i)	1.23% - 3.96%	2039	10,493,312
	Financial Leases (Note 20a)	5.05% - 8.97%	2027	473,117
	Lines of credit (iv)	19.00%	2014	68,082
	Subtotal other currencies			11,034,511
	Total debt			490,319,844
	Less: Short-term debt and current portion of long -term debt			25,841,478
	Long-term debt			Ps. 464,478,366

Currency	Loan	Interest rate	At December 31, 2014 Maturity from 2014 to	Total
U.S. dollars				
	Fixed-rate Senior notes (i)	2.375% - 7.5%	2042	Ps. 210,126,663
	Floating rates Senior notes (i)	L + 1.0%	2016	11,038,500
	Financial Leases (Note 20)	3.75%	2015	106,862
	Lines of credit (iii)	4.00% - 7.70% y L + 2.10%	2024	14,600,011
	Subtotal U.S. dollars			235,872,036
Mexican pesos				
	Fixed-rate Senior notes	6.00% - 9.00%	2037	78,200,265
	Floating rate Senior notes	TIIE + 0.40% - 1.25%	2016	6,600,000
	Lines of credit (iii)	TIIE + 0.05% - 1.00%	2015	311,048
	Subtotal Mexican pesos			85,111,313
Euros *				
	Fixed-rate Senior notes (ii)	1.00% - 6.375%	2073	177,127,119
	Lines of credit (iii)	3.10% - 5.41%	2019	11,903,748
	Subtotal Euros			189,030,867
Sterling Pounds				
	Fixed-rate Senior notes (ii)	4.375% - 6.375%	2073	63,047,129
	Subtotal Sterling pounds			63,047,129
Swiss francs				
	Fixed-rate Senior notes (ii)	1.125% - 2.25%	2018	15,542,492
	Subtotal Swiss francs			15,542,492
Reais				
	Lines of credit (iii)	3.0% - 6.00%	2019	4,435,774
Subtotal Brazilian reais				4,435,774
Colombian pesos				
	Fixed-rate Senior notes (ii)	7.59%	2016	2,768,322
	Subtotal Colombian pesos			2,768,322
Other currencies				
	Fixed-rate Senior notes (ii)	1.23% - 3.96%	2039	7,582,720
	Financial Leases (Note 20a)	5.05% - 8.97%	2027	364,334
	Subtotal other currencies			7,947,054
	Total debt			603,754,987
	Less: Short-term debt and current portion of long -term debt			57,805,517
	Long-term debt			Ps. 545,949,470

* The primary reason for increase in Euro debt between 2013 and 2014 is related to the acquisition of Telekom Austria.

L = LIBOR o London Interbank Offer Rate

TIIE = Mexican weighted Interbank Interest Rate

ECA = Export Credit Agreement

Euribor = Euro Interbank Offered Rate

Except for the fixed-rate notes, interest rates on the Company's debt are subject to variances in international and local rates. The Company's weighted average cost of borrowed funds at December 31, 2013 and December 31, 2014 was approximately 4.8% and 4.7% respectively.

Such rates do not include commissions or the reimbursements for Mexican tax withholdings (typically a tax rate of 4.9%) that the Company must 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 maturities as of December 31, 2013 and December 31, 2014, is as follows:

		2013		2014
Domestic Senior Notes (Certificados Bursátiles)	Ps.	9,000,000	**Ps.**	**4,600,000**
International Senior Notes		13,576,670		**35,315,148**
Lines of credit		617,295		**14,814,203**
Financial Leases				**106,862**
Subtotal short-term debt	Ps.	23,193,965	**Ps.**	**54,836,213**
Weighted average interest rate		5.0%		**4.0%**

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

Years		Amount
2016	Ps.	72,938,922
2017		43,938,404
2018		25,946,615
2019		45,367,133
2020 and thereafter		357,758,396
Total	Ps.	545,949,470

(i) Senior Notes

The outstanding Senior Notes at December 31, 2013 and December 31, 2014 are as follows:

	(Thousands of Mexican Pesos)			
Currency		2013		2014
U.S. dollars	Ps.	207,234,397	**Ps.**	**221,165,164**
Mexican pesos		77,332,805		**84,800,265**
Euros		106,927,652		**177,127,119**
Sterling pounds		59,539,593		**63,047,129**
Swiss francs		15,377,226		**15,542,492**
Japanese yens		3,104,287		**2,224,042**
Chinese yuans		2,159,870		**2,371,767**
Colombian pesos		3,053,941		**2,768,321**
Chilean pesos		5,229,155		**2,986,911**

During the second quarter of 2014, América Móvil issued notes for $600,000 Euros (Ps. 10,706,000) due 2018 with a coupon of 1%. Likewise, the Company issued two new notes under the program of peso-denominated notes for Ps.10,000,000 due 2019 with a coupon of 6% and for Ps.7,500,000 due 2024 with a coupon of 7.125%. The notes are registered with both the U.S. Securities and Exchange Commission and the Mexican Banking and Securities Commission ("CNBV").

(ii) Domestic Senior Notes (Certificados Bursátiles)

At December 31, 2013 and December 31, 2014, debt under stock certificates aggregates to Ps.37,461,105 and Ps.27,428,565, respectively. In general these issues bear a fixed-rate or floating rate determined as a differential on the TIIE rate (a Mexican weighted interbank interest rate).

(iii) Lines of Credit

At December 31, 2013 and December 31, 2014, debt under Lines of Credit aggregates to Ps. 5,094,799 and Ps.30,077,192, respectively.

Likewise, the Company has two revolving syndicated facilities – one for US$ 2,500,000 and one for the Euro equivalent of US$ 2,000,000 currently outstanding. The Euro equivalent revolving syndicated facility was amended in July 2013 to increase the amount available to US $2,100,000. Loans under the facility bear interest at variable rates based on LIBOR and EURIBOR. Telekom Austria has also an unwilling revolving syndicated facility for Euros 1,000,000 at a variable rate based on LIBOR and EURIBOR.

Restrictions (TELMEX):

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

Covenants

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

Such covenants do not restrict the ability of AMX's subsidiaries to pay dividends or other payment distributions to AMX. The more restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA (earnings before interest, tax, depreciation and amortization) that do not exceed 4 to 1, and a consolidated ratio of EBITDA to interest paid that is not below 2.5 to 1 (in accordance with the clauses included in the credit agreements). Several of the financing instruments of the Company are subject to early extinguishment or re-purchase, at the option of the debt holder in the case that a change in control occurs.

At December 31, 2013 and December 31, 2014, the Company complied with all the conditions established in its debt agreements.

At December 31, 2013 and 2014, approximately 48% and 49%, respectively, of America Movil's total outstanding consolidated debt is guaranteed by Telcel.

b) For the years ended December 31, 2012, 2013 and 2014, the interest income was Ps., 3,859,086, Ps.2,925,834 and Ps.7,052,271, respectively.

c) For the years ended December 31, 2012, 2013 and 2014, the interest expense was Ps.(22,267,771), Ps.(23,950,653) and Ps.(31,522,523), respectively.

d) For the years ended December 31, 2012, 2013 and 2014, Valuation of derivatives and other financial items was as follows:

	2012	2013	**2014**
Gain (loss) in valuation of derivatives	Ps. (6,075,490)	Ps. 2,841,952	**Ps. 7,397,142**
Capitalized interest expense (Note 10 e)	3,152,811	3,002,576	**3,258,928**
Commissions on debt	(1,931,790)	(1,839,467)	**(1,612,395)**
Interest cost of labor obligations (Note 17)	(3,930,342)	(3,971,100)	**(4,785,121)**
Interest expense on taxes	(1,386,410)	(4,228,155)	**(2,115,730)**
Loss on partial sale of shares in associated company	(795,028)	(896,956)	**(5,554,612)**
Loss on derecognition of equity method investment (Note 12)	–	–	**(3,172,218)**
Other financial cost	(2,298,770)	(3,200,385)	**(3,606,255)**
	Ps. (13,265,019)	Ps. (8,291,535)	**Ps. (10,190,261)**

15 Accounts Payable, Accrued Liabilities and Asset Retirement Obligations

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

	At December 31, 2013	**2014**
Suppliers	Ps. 98,763,285	**Ps. 118,723,997**
Sundry creditors	42,396,889	**57,932,101**
Interest payable	7,203,911	**9,418,164**
Guarantee deposits from clients	2,666,481	**1,974,323**
Dividends payable	3,106,746	**3,454,777**
Total	Ps. 154,137,312	**Ps. 191,503,362**

b) The balance of accrued liabilities at December 31, 2013 and 2014 are as follows:

	At December 31, 2013	**2014**
Direct employee benefits payable	Ps. 11,203,772	Ps. 20,735,930
Contingencies	25,755,150	33,232,749
	Ps. 36,958,922	Ps. 53,968,679

The movements in contingencies at December 31, 2013 and 2014 are as follows:

	Balance at December 31, 2012	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2013
Contingencies	Ps. 24,201,239	Ps.(2,902,833)	Ps. 12,419,163	Ps.(7,907,863)	Ps.(54,556)	Ps. 25,755,150

	Balance at December 31, 2013	Business combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, **2014**
Contingencies	Ps. 25,755,150	**Ps. 1,666,269**	**Ps.(240,406)**	**Ps. 11,211,251**	**Ps.(4,740,828)**	**Ps.(418,687)**	**Ps. 33,232,749**

Contingencies include tax, labor, regulatory and other legal type contingencies.

c) The composition of the other non-current liabilities at December 31, 2013 and 2014 is as follows:

	Balance at December 31, 2012	Business combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, 2013
Asset retirement obligation	Ps. 7,177,215	Ps. –	Ps.(401,382)	Ps. 866,480	Ps.(103,984)	Ps.(21,869)	Ps. 7,516,460

	Balance at December 31, 2013	Business combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, **2014**
Asset retirement obligation	Ps. 7,516,460	**Ps. 3,381,898**	**Ps.(5,349)**	**Ps. 2,779,076**	**Ps.(89,895)**	**Ps.(130,783)**	**Ps. 13,451,407**

The discount rates used for the asset retirement obligation are based on market rates that are expected to be undertaken by the dismantling or restoration of cell sites, and may include labor costs.

16 Deferred Revenues

An analysis of deferred revenues at December 31, 2012, 2013 and 2014 is as follows:

	At December 31, 2012	2013	**2014**
At January 1,	Ps. 29,424,475	Ps. 25,057,134	**Ps. 28,121,634**
Revenue deferred during the year	192,873,749	151,159,144	**219,043,115**
Recognized as revenues	(192,437,676)	(147,434,552)	**(218,622,000)**
Business combinations	(3,099,829)	–	**3,116,395**
Effect of translation	(1,703,585)	(660,092)	**1,135,848**
At December 31,	Ps. 25,057,134	Ps. 28,121,634	**Ps. 32,794,992**
Presented in the consolidated statements of financial position as follows:			
Current liabilities		Ps. 27,016,340	**Ps. 31,464,235**
Non-current liabilities		1,105,294	**1,330,757**
		Ps. 28,121,634	**Ps. 32,794,992**

Deferred revenues consist of revenues obtained for services that will be provided to customers within a certain period. Deferred revenues are recognized in the consolidated statements of comprehensive income when they are earned, including points programs.

17 Employee Benefits

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

	At December 31, 2013	**2014**
Liability:		
Mexico	Ps. 49,270,144	**Ps. 49,935,630**
Puerto Rico	13,448,765	**16,024,080**
Brazil	3,796,998	**4,781,286**
Europe	–	**15,738,304**
Ecuador	91,967	**125,265**
Total	Ps. 66,607,874	**Ps. 86,604,565**

Net period cost (benefit):

	For the years ended December 31,		
	2102	2013	**2014**
Mexico	Ps. 8,656,797	Ps 7,602,818	**Ps 8,755,823**
Puerto Rico	1,097,942	(713,271)	**(1,631,225)**
Brazil	384,331	384,642	**436,753**
Europe	–	–	**267,604**
Ecuador	2,602	18,650	**26,759**
Total	Ps. 10,141,672	Ps 7,292,839	**Ps 7,855,714**

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

b) Puerto Rico

Pension plan

There is a pension investment fund committee whose responsibility is to verify that the funds are invested in the appropriate instruments as approved by the committee. No employee has either the authority to invest non change the use of funds without approval of the committee.

The following tables show the net benefit cost and liabilities for labor obligations related to the funds and costs associated with these pension and post-retirement plans at December 31, 2012, 2013 and 2014:

	At December 31,					
	2012		2013		**2014**	
	Pensions and sum of benefits	Post-retiremen benefits	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Projected benefit obligation:						
Projected benefit obligation at beginning of year	Ps. 24,482,597	Ps. 9,633,990	Ps. 23,861,498	Ps. 8,958,942	**Ps. 21,641,938**	**Ps. 5,661,898**
Current service cost	196,551	84,986	190,067	77,513	**127,178**	**40,903**
Interest cost on projected benefit obligation	989,029	374,837	917,047	334,038	**1,132,499**	**235,759**
Actuarial (gain) loss	1,368,663	516,233	(1,874,057)	(1,657,720)	**3,255,940**	**773,342**
Other amendments to plans	(41,778)			(1,755,273)		**(2,530,502)**
Employee contributions		124,178		153,355		**191,434**
Benefits paid	(1,418,080)	(457,160)	(1,574,400)	(494,681)	**(1,774,630)**	**(470,202)**
Effect of translation	(1,715,484)	(1,318,122)	121,783	45,724	**2,716,725**	**710,741**
Projected benefit obligation at end of year	Ps. 23,861,498	Ps. 8,958,942	Ps. 21,641,938	Ps. 5,661,898	**Ps. 27,099,650**	**Ps. 4,613,373**
Changes in plan assets:						
Established fund at beginning of year	Ps. 13,925,231	Ps. –	Ps. 13,989,605	Ps. –	**Ps. 13,855,071**	**Ps. –**
Expected return on plan assets	578,265		547,276		**738,616**	
Actuarial gain (loss) on plan assets in OCI	622,294		(479,371)		**(279,335)**	
Contributions	1,320,525	457,160	1,371,174	494,681	**1,511,541**	**470,202**
Benefits paid	(1,408,394)	(457,160)	(1,574,400)	(494,681)	**(1,774,630)**	**(470,202)**
Actuarial loss	(72,583)		(70,613)		**(101,554)**	
Effect of translation	(975,733)		71,400		**1,739,234**	
Established fund at end of year	13,989,605		13,855,071		**15,688,943**	
Plan asset shortfall	Ps. 9,871,893	Ps. 8,958,942	Ps. 7,786,867	Ps. 5,661,898	**Ps. 11,410,707**	**Ps. 4,613,373**

During 2014, the Company announced to its plan participants that a decrease in the employer portion cost related to the medical insured premiums would take effect, effective September 1, 2014. This change resulted in a decrease in the accumulated post-retirement benefit obligation of approximately Ps.2,178,264.

The actual return on plan assets for the years ended December 31, 2012, 2013 and 2014 amounted to Ps.1,200,559, Ps.67,905 and Ps.459,281 corresponding to the expected return and the actuarial variation, respectively.

	2012		2013		At December 31, 2014	
	Pensions and sum of benefits	Post-retiremen benefits	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Changes in other comprehensive income:						
Balance at the beginning of the year	Ps. (4,048,934)	Ps.(1,912,387)	Ps. (4,511,596)	Ps. (2,294,620)	**Ps.(3,139,936)**	**Ps.(648,612)**
Actuarial gain on expected return on plan assets	622,294		(479,371)		**(279,335)**	
Actuarial loss for changes in demographic assumptions			(106,293)	(22,348)	**(780,167)**	**(165,224)**
Actuarial gain for changes in financial assumptions			2,065,437	533,867	**(2,305,012)**	**(612,840)**
Actuarial (loss) gain for changes in Assumptions	(1,368,663)	(516,233)	(85,087)	1,146,201	**(170,761)**	**4,722**
Effect of translation	283,707	134,000	(23,026)	(11,712)	**(394,158)**	**(81,420)**
Balance at the end of the year	Ps. (4,511,596)	Ps.(2,294,620)	Ps. (3,139,936)	Ps. (648,612)	**Ps.(7,069,369)**	**Ps.(1,503,374)**

Below is a quantitative sensitivity analysis of the effect on comprehensive income for the significant assumptions as of December 31, 2014, as follows:

	Pensions and sum of benefits	Post-retirement benefits
Discount rate – 100 basis points	Ps. (3,378,948)	Ps. (684,903)
Discount rate + 100 basis points	Ps. 2,785,333	Ps. 550,670

*Discount rate as of December 31, 2014 was %

	Post-retirement benefits
Applicable rates to health services – 100 basis points	Ps. 229,440
Initial assumption	4.70%
Final assumption	3.50%
Applicable rates to health services + 100 basis points	Ps. (289,754)
Initial assumption	6.70%
Final assumption	5.50%

Net period cost

An analysis of the net period cost for the years ended December 31, 2012, 2013 and 2014 is as follows:

	2012		2013		2014	
	Pensions and sum of benefits	Post-retiremen benefits	Pensions and sum of benefits	Post-retirement benefits	Pensions and sum of benefits	Post-retirement benefits
Current service cost	Ps. 196,551	Ps. 84,986	Ps. 190,067	Ps. 77,513	**Ps. 127,178**	**Ps. 40,903**
Interest cost on projected benefit obligation	989,029	374,837	917,047	334,038	**1,132,499**	**235,759**
Expected return on plan assets	(578,265)		(547,276)		**(738,616)**	
Past service costs and other	30,804		70,613	(1,755,273)	**101,554**	**(2,530,502)**
	Ps. 638,119	Ps. 459,823	Ps. 630,451	Ps.(1,343,722)	**Ps 622,615**	**Ps.(2,253,840)**

Actuarial assumptions

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

	2012	2013	2014
Financial:			
Discount rate and long-term rate return	4.50%	3.95%	**4.80%**
Rate of future salary increases	4.00%	4.00%	**4.00%**

Biometric:
Mortality: 2014 Table PPA for cases Plan B
"Salaried", "Hourly" and "Lump Sum" was used.

The assumptions used in determining the net period cost for 2012, 2013 and 2014 were as follows:

	2012	2013	2014
Percentage of increase in health care costs for the coming year	6.50%	5.90%	**5.80%**
Cost percentage due to death	4.50%	4.50%	**4.50%**
Year to which this level will be maintained	2021	2027	**2027**

The assumptions used to determine the net period cost of post-retirement obligations are as follows:

	2012	2013	2014
Percentage of increase in health care costs for the following year	5.90%	5.80%	**5.70%**
Cost percentage due to death	4.50%	4.50%	**4.50%**
Year to which this level will be maintained	2027	2027	**2027**

Plan assets

The percentages invested in plan assets are as follows:

	At December 31, 2013	2014
Equity instruments	30.00%	**35.00%**
Debt instruments	68.00%	**64.00%**
Cash and cash equivalents	2.00%	**1.00%**
	100.00%	**100.00%**

c) Claro Brasil

Claro Brasil has a defined benefit pension plan ("DBP") and a defined contribution plan ("DCP") that covers certain employees, as well as a medical assistance plan ("MAP") granted to participants in the DBP. The liabilities recognized at December 31, 2013 and 2014 under such plans are as follows:

		At December 31, 2013		2014
DBP and MAP	Ps.	3,583,228	**Ps.**	**4,565,475**
DCP		213,770		**215,811**
Total liabilities, net	Ps.	3,796,998	**Ps.**	**4,781,286**

Pension plan

An analysis of obligations under the DBP and MAP at December 31, 2013 and 2014, as well as the changes in such plans during the years ended December 31, 2012, 2013 and 2014, is as follows:

		2012		At December 31, 2013		2014
Projected benefit obligation at beginning of year	Ps.	14,998,684	Ps.	16,830,965	**Ps.**	**11,940,833**
Current service cost	(	70)	(	89)	**(**	**56)**
Interest cost on projected benefit obligation		1,367,191		1,307,437		**1,311,426**
Actuarial (loss) gain		3,795,632	(	3,053,755)		**1,606,357**
Employee contributions		267		173		**188**
Payments from trust fund	(	1,135,167)	(	1,069,860)	**(**	**1,078,427)**
Effect of translation	(	2,195,572)	(	2,074,038)	**(**	**87,800)**
Projected benefit obligation at end of year	Ps.	16,830,965	Ps.	11,940,833	**Ps.**	**13,692,521**

		2012		At December 31, 2013		2014
Changes in plan assets:						
Established fund at beginning of year	Ps.	16,827,353	Ps.	15,384,266	**Ps.**	**14,772,250**
Expected return on plan assets		1,549,809		1,181,149		**1,647,371**
Actuarial gain (loss) on plan assets in other comprehensive income		413,465		970,432	**(**	**50,656)**
Employee contributions		192,067		202,027		**202,201**
Payments from trust fund	(	1,135,167)	(	1,069,860)	**(**	**1,078,427)**
Effect of translation	(	2,463,261)	(	1,895,764)	**(**	**108,619)**
Fair value of fund at end of year	Ps.	15,384,266	Ps.	14,772,250	**Ps.**	**15,384,120**
Plan asset surplus (short-fall)	.	1,446,699	(	2,831,417)	**(**	**1,691,599)**
Effect of asset celling		3,246,770		6,414,645		**6,257,074**
Net liabilities	Ps.	4,693,469	Ps.	3,583,228	**Ps.**	**4,565,475**

The actual return on plan assets for the years ended December 31, 2012, 2013, 2014 amounted to Ps.1,963,274, Ps.2,151,581 and Ps.1,596,715 corresponding to the expected return and the actuarial variation, respectively.

	2012	2013	2014
Changes in other comprehensive income:			
Balance at the beginning of the year	Ps. (5,261,578)	Ps. (5,423,234)	**Ps. (4,042,513)**
Changes in the asset ceiling during the period	2,450,298	(3,311,757)	**844,575**
Actuarial gain on expected return on plan assets	413,465	970,432	**(50,656)**
Actuarial loss for changes in experience	(580,103)	(131,636)	**(732,009)**
Actuarial (loss) gain for changes in financial Assumptions	(3,215,529)	3,185,391	**(874,348)**
Effect of translation	770,213	668,291	**29,725**
Balance at the end of the year	Ps. (5,423,234)	Ps. (4,042,513)	**Ps. (4,825,226)**

Below is a quantitative sensitivity analysis of the significant assumptions as of December 31, 2014, and its impact in the PBD and PAM:

PBD and PAM obligation at present value:	
Discount rate + 100 basis points	Ps. 12,601,985
Discount rate - 100 basis points	Ps. 14,962,471
Inflation rate for health services +100 basis points	Ps. 5,100,397
Inflation rate for health services -100 basis points	Ps. 4,150,360

Net period cost (benefit)

An analysis of the net period cost (benefit) for the years ended December 31, 2012, 2013 and 2014 is as follows:

	2012	2013	2014
Current service cost	Ps. (70)	Ps. (89)	**Ps. (56)**
Interest cost on projected benefit obligation	1,367,191	1,307,437	**1,311,426**
Expected return on plan assets	(1,549,809)	(1,181,149)	**(1,647,371)**
Asset ceiling interest	568,732	256,210	734,171
	Ps. 386,044	Ps. 382,409	**Ps. 398,170**

Actuarial assumptions

The average rates used in determining the net period cost for 2012, 2013 and 2014 were as follows:

	2012	2013	2014
Financial:			
Rate of future salary increases	5.00%	4.75%	**5.40%**
Discount rate and long-term assets return rate	9.00%	11.53%	**12.09%**

Biometric	
Mortality:	2000 Basic AT Table (for gender.
Disability for assets:	UP 84 modified table for gender
Disability retirement:	58 CSO table
Rotation:	Probability of leaving the Company other than death,
disability and retirement is zero	
retirement is zero	

Plan assets

As of December 31, 2013 and 2014, the percentages invested in plan assets are as follows:

	At December 31, 2013	2014
Debt instruments	80.64%	**83.16%**
Equity instruments	12.71%	**10.54%**
Other investments	6.65%	**6.30%**
	100.00%	**100.00%**

DCP

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

The unfunded liability represents Claro Brasil´s obligation for those participants that migrated from the DBP to the DCP. This liability is being paid over a term of 20 years as of January 1, 1999. Unpaid balances are adjusted monthly based on the yield of the asset portfolio at that date and is increased based on the General Price Index of Brazil plus 6 percentage points per year. At December 31, 2014, the balance of the DCP liability was Ps.215,811 (Ps.213,770, at December 31, 2013).

As of December 31, 2012, 2013 and 2014 the cost of labor were Ps.(1,713), Ps.2,233, and Ps.38,583 respectively.

d) Mexico (Teléfonos de México)

Pensions and seniority premiums

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

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

		At December 31,	
	2012	2013	**2014**
Projected defined benefit obligation:			
Projected defined benefit obligation at beginning of year	Ps. 234,225,230	Ps. 239,189,216	**Ps. 250,944,184**
Current service cost	5,050,926	4,538,825	**4,376,926**
Interest cost on projected benefit obligation	20,497,290	20,978,048	**22,273,034**
Actuarial (gain) loss	(6,252,256)	2,967,200	**808,732**
Payments to employees	(11,419,974)	(11,034,105)	**(12,540,172)**
Payments from trust fund	(2,912,000)	(5,695,000)	**(5,200,000)**
Defined benefit obligation at end of year	Ps. 239,189,216	Ps. 250,944,184	**Ps. 260,662,704**

		At December 31,	
	2012	2013	**2014**
Changes in plan assets:			
Established fund at beginning of year	Ps. 184,546,619	Ps. 196,734,883	**Ps. 201,765,850**
Expected return on plan assets	16,978,289	18,099,609	**18,467,870**
Actuarial loss on expected return on plan assets in other comprehensive income	(1,878,025)	(7,373,642)	**(3,746,454)**
Payments from trust fund	(2,912,000)	(5,695,000)	**(5,200,000)**
Established fund at end of year	Ps. 196,734,883	Ps. 201,765,850	**Ps. 211,287,266**
Liability	Ps. 42,454,333	Ps. 49,178,334	**Ps. 49,375,438**

The actual return on plan assets for the years ended December 31, 2012, 2013 and 2014 amounted to Ps. 15,100,264, Ps.10,725,967 and Ps.14,721,416 corresponding to the expected return and the actuarial variation respectively.

	2012	2013	**2014**
Changes in other comprehensive income:			
Balance at the beginning of the year	Ps. (69,596,308)	Ps. (65,222,077)	**Ps. (75,562,919)**
Actuarial gain on expected return on plan assets	(1,878,025)	(7,373,642)	**(3,746,454)**
Actuarial effect of changes in assumptions	6,252,256	(2,967,200)	**(808,732)**
Balance at the end of the year	Ps. (65,222,077)	Ps. (75,562,919)	**Ps. (80,118,105)**

In 2013, the net actuarial loss of Ps.10,340,842 is mainly comprised of an actuarial loss of Ps.7,373,642 due to the low performance of the plan assets, to the reduction in the value of the shares of the companies where the funds are managed, and in the value of the fixed yield instruments due to variances in the reference rates, and an actuarial loss of Ps.2,967,200 due to the fact that the number of retired employees differed from the estimated number at the beginning of the year, and due to the fact that the salary increases and the pensions of retired personnel were higher than those estimated at the beginning of the year.

In 2014, the net actuarial loss of Ps.4,555,186 is mainly comprised of an actuarial loss of Ps.3,746,454 due to the low performance of the plan assets, to the reduction in the value of the shares of the companies where the funds are managed, and in the value of the fixed yield instruments due to variances in the reference rates, and an actuarial loss of Ps.808,732 due to the fact that the number of retired employees differed from the estimated number at the beginning of the year, and due to the fact that the salary increases and the pensions of retired personnel were higher than those estimated at the beginning of the year.

Net period cost		For the years ended				
		2012		2013		**2014**
Current service cost	Ps.	5,050,926	Ps	4,538,825	**Ps.**	**4,376,926**
Interest cost on projected benefit obligation		20,497,290		20,978,048		**22,273,034**
Expected return on plan assets		(16,978,289)		(18,099,609)		**(18,467,870)**
Net period cost	Ps.	8,569,927	Ps.	7,417,264	**Ps.**	**8,182,090**

The nominal discount rate of labor obligations used in the actuarial studies was 9.2% for all years presented. Salary increases were also estimated at 4.5% during each year. Mortality was estimated at 1.94% for both men and woman.

Below is a quantitative sensitivity analysis of the main assumptions as of December 31, 2014, and its impact in the net defined benefit obligations:

Discount rate - 100 basis points	Ps .	286,691,852
Discount rate + 100 basis points	Ps.	235,747,974

Plan assets

The percentages invested in plan assets at December 31, 2013 and 2014 are as follows:

	2013	**2014**
Debt instruments	46.50%	**43.8%**
Equity instruments	53.50%	**56.2%**
	100.00%	**100.00%**

As of December 31, 2014, the fair value of Telmex's debt securities held by the plan assets was Ps.153,210 (Ps.611,672 at December 31, 2013). Also, the plan assets of Telmex include 29.6% and 30.7% of securities of the Company and other related parties at December 31, 2014 and 2013, respectively. The purchases and sales of these securities made by the plan were at market value.

In the case of Telcel and other Mexican subsidiaries, the net period cost of other benefits for the years ended December 31, 2012, 2013 and 2014 was Ps.86,870, Ps.185,554 and Ps.573,733, respectively. The balance of employee benefits of December 31, 2013 and 2014 was Ps.91,810 and Ps.560,192, respectively.

e) Europe

The liabilities recognized at December 31, 2014 are as follows:

		At December 31, **2014**
Long-term direct employee benefits	**Ps.**	**12,160,824**
Service awards		**1,280,115**
Severance		**2,164,997**
Pensions		**121,293**
Other		**11,075**
Total liabilities	**Ps.**	**15,738,304**

Long-term direct employee benefits

	Balance at December 31, 2013	Business combination	Effect of translation	Increase of the year	Applications: Payments	Applications: Reversals	Balance at December 31, **2014**
Long-term direct employee benefits	Ps.	Ps. 11,802,035	Ps. 68,354	Ps. 1,994,823	Ps.(773,050)	Ps.(931,338)	**Ps. 12,160,824**

In 2008, a comprehensive restructuring program was initiated in Austria. The provision for restructuring includes future compensation for employees, who will no longer provide services for Telekom Austria but who cannot be laid off due to their status as civil servants. These employee contracts are onerous contracts under IAS 37, as the unavoidable cost related to the contractual obligation exceeds the future economic benefit. The restructuring program also includes social plans for employees whose employments will be terminated in a socially responsible way.

Furthermore, restructuring includes agreements from previous years concluded with the Austrian government relating to the voluntary transfer of civil servants with tenure, whose positions are eliminated due to technological progress, to employment with the government. Civil servants of the segment of Austria can voluntarily transfer to administrative employment with the government. After a period of six to twelve months of public service and subjects to a positive performance evaluation, the civil servants have the option to apply for a permanent transfer, in which case the right to return to Telekom Austria is forfeited. Telekom Austria bears the salary expense for these civil servants up to June 30, 2016. The civil servants are compensated for any shortfall in salary or pension payments.

Actuarial assumptions

The actuarial assumptions used to measure the obligations for service awards, severance payments and pensions are as follows:

Discount rate	
Rate of compensation increase-civil servants	2.0%
Rate of compensation increase-civil servants	5.5%
Rate of compensation increase-civil servants	3.1%s
Rate of increase of pensions	4.5%
Employee turnover rate*	1.6%
Depending on years of service	0.0%-2.01%

Life expectancy in Austria is based on "AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler".

Service awards

Civil servants and certain employees (together "employees") are eligible to receive service awards. Under these plans, eligible employees receive a cash bonus of two months' salary after 25 years of service and four months' salary after 40 years of service. Employees with at least 35 years of service when retiring (at the age of 65) or who are retiring based on a specific legal regulation are eligible to receive four monthly salaries. The compensation is accrued as earned over the period of service, taking into account the employee turnover rate.

The following table provides the components and a reconciliation of the changes in the provisions for service awards:

		At December 31, 2014 [(1)]
Balance at December 31, 2013	Ps.	1,258,018
Current service cost		41,452
Interest cost on projected benefit obligation		42,360
Actuarial gain/loss based on experience adjustment		11,307
Actuarial gain/loss from changes in demographic Assumptions	(	89)
Actuarial gain/loss from changes in financial Assumptions		132,529
Net periodic cost	Ps.	227,559
Benefits paid	(	105,767)
Foreign currency adjustments	(	18)
Other	(	105,785)
Balance at the end of the year	Ps.	1,379,792
Less short-term portion	(	99,677)
Non-current obligation	Ps.	1,280,115

[(1)] While the Company consolidated Telekom Austria beginning on July 1, 2014 this roll forward has been prepared for a 12 months period consistent with Telekom Austria's published results.

Of the defined benefit obligations for service awards, less than 1% relate to other subsidiaries different to Austria as of 31 December 2013.

As of December 31, 2014, the weighted average duration of the obligation for service awards amounted to 7.3 years.

Severance

Employees starting to work for Telekom Austria in Austria on or after January 1, 2003 are covered by a defined contribution plan. Telekom Austria paid Ps.34,142 (1.53% of the salary) into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG) in 2014.

Severance benefit obligations for employees hired before January 1, 2003 are covered by defined benefit plans. Upon termination by Telekom Austria or retirement, eligible employees receive severance payments equal to a multiple of their monthly compensation which comprises fixed compensation plus variable elements such as overtime or bonuses. Maximum severance is equal to a multiple of twelve times the eligible monthly compensation. Up to three months of benefits are paid upon termination, with any benefit in excess of that amount being paid in monthly instalments over a period not exceeding ten months. In case of death, the heirs of eligible employees receive 50% of the severance benefits.

The following table provides a detailed reconciliation of the changes in severance benefit obligations:

		At December 31, 2014 [(1)]
Balance at the December 31, 2013	Ps.	1,676,776
Current service cost		86,607
Interest cost on projected benefit obligation		57,691
Net periodic cost	Ps.	144,298
Actuarial gain/loss based on experience adjustment		2,297
Actuarial gain/loss from changes in demographic Assumptions	(	32,175)
Actuarial gain/loss from changes in financial Assumptions		475,202
Recognized in Other comprehensive income	Ps.	445,324
Benefits paid	(	74,339)
Foreign currency adjustments	(	300)
Other	(	74,639)
Balance at the end of the year	Ps.	2,191,759
Less short-term portion	(	26,762)
Non-current obligation	Ps.	2,164,997

(1) While the Company consolidated Telekom Austria beginning on July 1, 2014 this roll forward has been prepared for a 12 months period consistent with Telekom Austria´s published results.

Approximately 3% of the defined benefit obligations for severance relate to foreign subsidiaries as of December 31, 2014.

As of December 31, 2014, the weighted average duration of the severance benefit obligations was 16.7.

Pensions

Defined contribution pension plans

In Austria, pension benefits generally are provided by the social security system for employees and by the government for civil servants. Telekom Austria is required to assist in funding the Austrian government´s pension and health care obligations to Telekom Austria current and former civil servants and their surviving dependents. In 2014, the rate of contribution for active civil servants amounted to a maximum of 28.3% depending on the age of the civil servant. 15.75% are borne by Telekom Austria and the remaining portion is contributed by the civil servants. Contributions to the government, net of the share contributed by civil servants, amounted to Ps. 375,831 for the period from July 1 to December 31, 2014.

Additionally, Telekom Austria sponsors a defined contribution plan for employees of some of its Austrian subsidiaries. Telekom Austria contributions to this plan are based on a percentage of the compensation not exceeding 5%. The annual expenses for this plan amounted to Ps.115,442 for the period from July 1 to December 31, 2014.

Defined benefit pension plans

Telekom Austria provides defined benefits for certain former employees in Austria. All such employees are retired and were employed prior to January 1, 1975. This unfunded plan provides benefits based on a percentage of salary and years employed, not exceeding 80% of the salary before retirement, and taking into consideration the pension provided by the social security system.

f) In the case of Ecuador, the net period cost of other benefits for the years ended December 31, 2012, 2013 and 2014 was Ps. 2,602, Ps.18,650 and Ps.26,759 respectively. The balance of employee benefits at December 31, 2013 and 2014 was Ps.91,967 and Ps.125,265, respectively.

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

18 Shareholders' Equity

Shares

a) At December 31, 2014 and 2013, the Company´s capital stock was represented by 68,150,000,000 (23,384,632,660 Series "AA" shares, 648,994,284 Series A shares and 44,116,373,056 Series "L" shares) and 70,475,000,000 shares (23,424,632,660 Series "AA" shares, 680,805,804 Series A shares and 46,369,561,536 Series L), respectively (these figures reflects (i) the stock split effected in June 2011; (ii) the merger with AMTEL in 2006; (iii) the placement of 8,438,193,725 Series "L" treasury shares resulting from the tender offers for Carso Global Telecom, S.A.B. de C.V. and Telmex Internacional, S.A.B. de C.V., which were completed on June 16, 2010; and (iv) the exchanges (conversiones) of Series "A" shares for Series "L" shares made by third parties through S.D. Indeval Institución para el Deposito de Valores, S.A. de C.V.).

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

c) At December 31, 2014 and 2013, the Company's treasury shares available for placement in accordance with the provisions of the Mexican Securities Law, were represented by 27,339,724,196 shares (27,338,625,508 Series "L" shares and 1,098,688 Series A shares), 25,014,724,196 shares (25,007,472,235 Series "L" shares and 7,251,961 Series A shares), respectively (these figures reflects (i) the stock split effected in June 2011; and (ii) the placement of 8,438,193,725 Series "L" treasury shares resulting from the tender offers for Carso Global Telecom, S.A.B. de C.V. and Telmex Internacional, S.A.B. de C.V., which were completed on June 16, 2010).

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

e) In accordance with the bylaws of the Company, Series "AA" shares must at all times represent no less than 20% and no more than 51% of the Company's capital stock, and they also must represent at all times no less than 51% of the common shares (entitled to full voting rights, represented by Series "AA" and Series "A" shares), representing said capital stock.

Series "AA" shares may only be subscribed to or acquired by Mexican investors, Mexican corporations and/or trusts expressly empowered for such purposes in accordance with the applicable legislation in force. Series "A" shares, which may be freely subscribed, may not represent more than 19.6% of capital stock and may not exceed 49% of the common shares representing such capital. Common shares (entitled to full voting rights, represented by Series "AA" and Series "A" shares), may not represent more than 51% of the Company's capital stock.

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

Dividends

f) On April 22, 2013, the Company's shareholders approved, among others resolution, the (i) payment of a cash dividend of $0.22 pesos per share to each of the shares of its capital stock series "AA", "A" and "L", payable in two equal installments of $0.11 pesos; and (ii) increase the amount of funds available for the acquisition of the Company's own shares by Ps.40 billion pursuant to Article 56 of the Mexican Securities Market Law.

g) On April 28, 2014, the Company's shareholders approved, among others resolution, the

i) payment of a cash dividend of $0.24 pesos per share to each of the shares of its capital stock series "AA", "A" and "L", payable in two equal installments of $0.12 pesos; and (ii) increase the amount of funds available for the acquisition of the Company's own shares by Ps.30 billion pursuant to Article 56 of the Mexican Securities Market Law

Retained earnings and other reserves distributed as dividends and the effects derived from capital reductions, are subject to income tax at the rate at the date of distribution, except for the restated stockholder contributions or distributions made come from the net taxed profit account (Cuenta de Utilidad Fiscal Neta or CUFIN).

The dividends paid in excess of the account are subject to income tax on a grossed-current base rate. Since 2003, this tax may be credited against income tax for the year in which the dividends are paid and the following two years against the income tax and estimated payments. The payment of dividends described above comes from the balance of the Company's CUFIN.

Legal Reserve

According to the Mexican General Mercantile Corporation Law, companies must appropriate from the net profit of each year, at least 5% to increase the legal reserve until it reaches 20% of capital stock at par value. This reserve may not be distributed to stockholders during the existence of the Company. At December 31, 2013 and 2014, the legal reserve amounted to Ps.358,440.

Restrictions on Certain Transactions

The Company's bylaws provide that any transfer of more than 10% of the combined A Shares and AA Shares, effected in one or more transactions by any person or group of persons acting in concert, requires prior approval by our Board of Directors. If the Board of Directors denies such approval, however, Mexican law and the Company bylaws require it to designate an alternate transferee, who must pay market price for the shares as quoted on the Mexican Stock Exchange.

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to the L Shares, A Shares, L Share ADSs or A Share ADSs will generally be subject to a 10% Mexican withholding tax (provided that no Mexican withholding tax will apply to distributions of net taxable profits generated before 2014). Nonresident holders could be subject to a lower tax rate, to the extent that they eligible for benefits under an income tax treaty to which Mexico is a party.

h) Earnings per Share

The following table shows the computation of the basic and diluted earnings per share:

	For the years ended December 31,					
		2012		2013		**2014**
Net profit for the period attributable to equity holders of the parent	Ps.	90,988,570	Ps.	74,624,979	**Ps.**	**46,146,370**
Weighted average shares (in millions)		76,150		72,866		**69,254**
Earnings per share attributable to equity holders of the parent	Ps.	1.19	Ps.	1.02	**Ps.**	**0.66**

i) Undated Subordinated Fixed Rate Bond

In January 2013, Telekom Austria issued € 600 million aggregate principal amount of its subordinated bonds. The interest rate on the bonds is 5.625% for the first five years and resets every five years beginning in 2018. The bonds have no specified maturity date but may be redeemed at the Company´s option at par, in whole but not in part, on any interest reset date beginning in 2018. Under IFRS, the Company is required to classify the bonds as equity, because of their indefinite maturity. Consequently, the Company recognizes the bonds as non-controlling interests in its consolidated financial statements.

19 Other Financial Assets and Liabilities

Set out below is the categorization of the financial instruments, other those with carrying value amounts that are reasonable approximations of fair value, held by América Móvil as at December 31, 2013 and 2014:

	December 31, 2013					
		Loans and receivables		Fair value through profit or loss		Fair value through OCI
Financial Assets:						
Accounts receivable from subscribers, distributors, and other, net	Ps.	96,756,472	Ps.	–	Ps.	–
Related parties		1,346,392		–		–
Derivative financial instruments		–		10,469,316		–
Total	Ps.	98,102,864	Ps.	10,469,316	Ps.	–
Financial Liabilities:						
Debt	Ps.	490,319,844	Ps.	–	Ps.	–
Accounts payable		154,137,312		–		–
Related parties		2,552,337		–		–
Derivative financial instruments		–		5,179,024		187,299
Total	Ps.	647,009,493	Ps.	5,179,024	Ps.	187,299

	December 31, **2014**					
		Loans and receivables		Fair value through profit or loss		Fair value through OCI
Financial Assets:						
Accounts receivable from subscribers, distributors, and other, net	**Ps.**	**122,028,071**	**Ps.**	**–**	**Ps.**	**–**
Related parties		**1,320,107**		**–**		**–**
Derivative financial instruments		**–**		**22,536,056**		**–**
Total	**Ps.**	**123,348,178**	**Ps.**	**22,536,056**	**Ps.**	**–**
Financial Liabilities:						
Debt	**Ps.**	**603,754,987**	**Ps.**	**–**	**Ps.**	**–**
Accounts payable		**191,503,362**		**–**		**–**
Related parties		**3,087,292**		**–**		**–**
Derivative financial instruments		**–**		**8,373,205**		**154,607**
Total	**Ps.**	**798,345,641**	**Ps.**	**8,373,205**	**Ps.**	**154,607**

Fair value hierarchy

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

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

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

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

The fair value for the financial assets (other those with carrying value amounts that are reasonable approximations of fair value) and financial liabilities shown in the consolidated statement of financial position at December 31, 2013 and 2014 is as follows:

	Measurement of fair value at December 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivatives financial instruments	Ps. –	Ps. 10,469,316	Ps. –	Ps. 10,469,316
Pension plan assets	230,393,171		–	230,393,171
Total	Ps. 230,393,171	Ps. 10,469,316	Ps. –	Ps. 240,862,487
Liabilities:				
Debt	Ps. 319,838,222	Ps. 200,011,820	Ps. –	Ps. 519,850,042
Derivatives financial instruments	5,366,323	5,366,323		
Total	Ps. 319,838,222	Ps. 205,378,143	Ps. –	Ps. 525,216,365

	Measurement of fair value at December 31, **2014**			
	Level 1	Level 2	Level 3	Total
Assets:				
Derivatives financial instruments	**Ps.**	**Ps. 22,536,056**	**Ps. –**	**Ps. 22,536,056**
Pension plan assets	**242,360,329**			**242,360,329**
Total	**Ps. 242,360,329**	**Ps. 22,536,056**	**Ps. –**	**Ps. 264,896,385**
Liabilities:				
Debt	**Ps. 411,497,065**	**Ps. 229,028,589**	**Ps. –**	**Ps. 640,525,654**
Derivatives financial instruments		**8,527,812**	**–**	**8,527,812**
Total	**Ps. 411,497,065**	**Ps. 237,556,401**	**Ps. –**	**Ps. 649,053,466**

Fair value of derivatives financial instruments are valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies valuation techniques including forward pricing and swaps models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Fair value of debt Level 2 has been determined using a model based on present value calculation incorporating credit quality of AMX.

For the years ended December 31, 2012, 2013 and 2014, no transfers were made between Level 1 and Level 2 fair value measurement hierarchies.

20 Commitments and Contingencies

a) Leases

At December 31, 2013 and 2014, the Company has entered into several lease agreements with related parties and third parties for the buildings where its offices are located (as a lessee), as well as with the owners of premises where the Company has installed radio bases. The lease agreements generally have terms from one to fourteen years.

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

The Company has the following non-cancelable commitments under finance leases:

Year ended December 31	2013	**2014**
2014	Ps. 278,957	**Ps. –**
2015	246,821	**266,026**
2016	140,425	**148,350**
2017	30,552	**31,319**
2018	30,552	**31,319**
2019	59,814	**31,319**
2020 and thereafter	–	**29,994**
Total	787,121	**538,327**
Less: amounts representing finance charges	(96,479)	**(67,132)**
Present value of net minimum lease payments	690,642	**471,195**
Less current portion	246,598	**244,239**
Long-term obligations	Ps. 444,044	**Ps. 226,956**

An analysis of non-cancellable operating leases in the next five years is as follows:

Year ended December 31,		
2015	Ps.	10,173,043
2016		8,709,551
2017		6,453,449
2018		6,100,856
2019		6,268,309
2020 and thereafter		14,254,912
Total	Ps.	51,960,120

Rent expense for the years ended December 31, 2012, 2013 and 2014 was Ps.16,023,781, Ps.14,800,464 and Ps.18,925,361, respectively.

b) Commitments

At December 31, 2014, there were commitments in certain subsidiaries for the acquisition of equipment for incorporation into their 4G networks for an amount up to approximately US$1,113,540 (approximately Ps.16,771,745). The completion period of these projects depends upon the type of fixed assets under construction. In the case of telephone plant (switching transmission), it takes 6 months on average; for others, it may take more than 2 years.

These commitments will be paid as follows:

Less than 1 year	Ps.	15,161,657
1 to 3 years		1,610,088
Total	Ps.	16,771,745

As of December 31, 2014, the Company has outstanding purchase commitments with telephone manufacturers for cellular phones for resale for approximately Ps.9,478,000 (US$644,000), for delivery through May 2015.

In addition, the Company's subsidiary Tracfone has entered into long-term contracts with wireless carriers for the purchase of airtime minutes at current market prices. The purchase commitments are with four carriers, and at December 31, 2014, are as follows:

Less than 1 year	Ps.	42,608,610
1 to 3 years		28,332,150
Total	Ps.	70,940,760

c) Contingencies

Mexico

América Móvil, S.A.B. de C.V.

Tax Assessment

In December 2014, the Mexican Tax Administration Service (*Servicio de Administración Tributaria* or "SAT"), notified the Company, of an assessment of Ps.529.7 million related to its tax return for the fiscal year ended December 31, 2005 and reduced the consolidated tax loss from Ps.8,556 million to zero. This matter is related to the fine imposed to its subsidiary, Sercotel, S.A. de C.V. ("Sercotel"), in the amount of Ps.1,400 million which is mentioned below. The Company has challenged this assessment in federal tax courts, and this challenge is still pending. AMX has not established a provision in the accompanying consolidated financial statements for loss arising from this contingency.

Preponderant Economic Agent Determination

In March 2014, each of the Company, Radiomovil Dipsa, S.A. de C.V. ("Telcel"), and Teléfonos de México, S.A.B. de C.V. ("Telmex"), filed injunctions (*juicios de amparo*) against the resolution issued by the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones* or "IFT"), through which said institute determined as "preponderant economic agent" (agente económico preponderante) in the telecommunications market in Mexico an alleged economic interest group comprised by the Company, Telmex, Telcel, Grupo Carso, S.A.B. de C.V., and Grupo Financiero Inbursa, S.A.B. de C.V., imposing certain specific asymmetrical regulations. Resolution of such injunctions is pending. Enforceability of the IFT resolution may not be suspended.

Telcel

COFECO—Monopolistic practices investigations

Telcel, is the target of two investigations into alleged monopolistic practices originally commenced by the Federal Antitrust Commission (*Comisión Federal de Competencia,* or "COFECO"). One concerns alleged actions by Telcel and certain of its distributors in relation to the purchase and sale of cellular phones from and to third parties. COFECO determined that Telcel engaged in anti-competitive behavior, and the agency imposed fines totaling Ps.3.3 million and ordered that Telcel cease the alleged monopolistic practices immediately. Telcel has challenged COFECO's findings and fines in the courts. COFECO's findings and fines were upheld by the courts. In February, 2015, Telcel paid Ps.5.5 million, which included the amount of the fine, plus corresponding adjustments.

The second investigation concerns alleged monopolistic practices in the mobile termination (interconnection) market. In April 2011, COFECO imposed a fine of Ps.11,989 million against Telcel for alleged monopolistic practices that according to COFECO also constituted a repeat offense. In May 2011, Telcel filed an administrative motion for reconsideration (*recurso de reconsideración*) with COFECO and proposed a series of undertakings related to the alleged monopolistic practices. In May 2012, COFECO revoked the fine. As a condition to the revocation of the fine, Telcel agreed to comply with the undertakings that it proposed to COFECO. As a result of a constitutional amendment enacted in 2013, the IFT, is responsible for monitoring Telcel´s compliance with respect to such undertakings. Six mobile operators challenged the revocation of the fine through an appeal for relief (*juicio de amparo*). Four of such proceedings have now been resolved on terms favorable to Telcel and the remaining two are pending. One of the operators whose appeal for relief (juicio de amparo) is pending, also filed a judicial proceeding claiming alleged damages arising from the revocation of the fine and the performance of the undertakings proposed by Telcel.

The IFT is empowered to oversee compliance by Telcel of the agreed upon undertakings. In the event the IFT considers Telcel has breached any such undertakings, the IFT may impose a fine of up to 8% of Telcel´s annual revenues. Telcel believes it has complied with all of these undertakings and expects the IFT to confirm such compliance.

Mobile termination rates

Mobile termination rates for the years 2005 through 2010 between Telcel and affiliated operators Axtel and Avantel were the subject of a number of legal proceedings. The Supreme Court of Justice (*Suprema Corte de Justicia de la Nación*) addressed these disputes in a series of rulings during 2012 and early 2013, which generally (i) determined that the Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes* or "SCT"), does not have authority to resolve disputes over mobile termination rates; (ii) confirmed that the Federal Telecommunications Commission (*Comisión Federal de Telecomunicaciones,* or "COFETEL"), has authority to determine mobile termination rates based on its own cost models; (iii) for certain periods (2005-2007), confirmed the rates established by COFETEL; and (iv) for other periods (2008-2010), required COFETEL to reissue resolutions determining mobile termination rates between the parties.

On March 18, 2015, a settlement agreement has been entered into with Axtel and Avantel. Pursuant to such settlement agreement, certain disputes regarding termination rates and related interconnection matters have been finally settled between Axtel, on the one hand, and Telcel, Teléfonos de México, S.A.B. de C.V. ("Telmex"), and Teléfonos del Noroeste, S.A. de C.V. ("Telnor"), on the other.

As part of the settlement agreement, Axtel and Telcel executed interconnection services agreements. With the execution of these agreements all disputes regarding mobile termination rates and related interconnection proceedings that started in 2005 have been finally settled between the parties. In addition, disputed and outstanding amounts related to mobile termination services for the period from 2005 to 2014 have been paid.

In consideration for the execution of the settlement agreement; the execution of interconnection services agreements with Telcel for the period from 2005 to 2015; the settlement and termination of certain existing disputes and claims with Telcel, Telmex and Telnor; and the assignment to América Móvil of certain litigation rights arising from administrative and judicial proceedings existing between the parties, América Móvil paid Axtel Ps.$950 million.

Several mobile operators began proceedings with COFETEL (*desacuerdos de interconexión*), to establish applicable mobile termination rates and other interconnection conditions for the years 2011 to 2015. COFETEL determined rates for 2011. IFT determined rates for 2012, but has yet to determine rates for 2013 in connection with the proceedings (desacuerdos de interconexión) in which Telcel is a party. In proceedings (desacuerdos de interconexión) in which other operators are parties thereof, the IFT has determined an applicable mobile termination of Ps.0.3144 for 2013.

On March 26, 2014, the IFT issued a resolution imposing on Telcel a specified asymmetric interconnection rate it must charge to all operators for traffic to Telcel´s network for the period commencing on April 6 and ending on December 31, 2014. Telcel has filed an appeal for relief (juicio de amparo), against the IFT´s resolution.

As a result of the entering into force of the Federal Law on Telecommunications and Broadcasting (*Ley Federal de Telecomunicaciones y Radiodifusión*), the preponderant economic agent in the telecommunication sector (comprised, among others, by the Company, Telcel and Telmex), is precluded from charging other operators for traffic terminating in its network. Although Telcel has challenged such gratuitous asymmetric regime in courts, the enforceability of such regime is not subject of being suspended.

Telcel has begun proceedings in order to determine the mobile termination rates it must pay to other operators for the years 2015 and 2016. In accordance with applicable legislation, the parties have 60 days to agree upon such rates. Upon expiration of such term, either party may begin proceedings (*desacuerdos de interconexión*), with IFT to establish applicable mobile termination rates.

Any potential disparity between the mobile termination rates made available by Telcel to other operators and the rates to be established by the IFT may give rise to contractual claims among Telcel and other operators for reimbursement or payment, as the case may be, of amounts paid or owed between Telcel and such operators.

Likewise, the Company expects that these mobile termination rates will continue to be the subject of litigation and administrative proceedings. The Company cannot predict when or how these matters will be resolved. The competitive and financial effects of any resolution could be complex and difficult to predict.

As of December 31, 2014, the Company has established provisions in the accompanying financial statements for the losses AMX considered probable and estimable at such date for approximately Ps.2, 500 million.

Short Message Services (SMS)—Rates

On March 26, 2014, the IFT issued a resolution imposing on Telcel a specified SMS termination rate it must charge to all mobile operators for the period commencing on April 6 and ending on December 31, 2014. The rate was reduced from Ps.0.1537 to Ps.0.0391. Telcel has filed an appeal for relief (juicio de amparo), against the IFT´s resolution.

As a result of the entering into force of the Federal Law on Telecommunications and Broadcasting, the preponderant economic agent in the telecommunication sector (comprised, among others, by the Company, Telcel and Telmex), is precluded from charging other operators for SMS terminating in its network. Although Telcel has challenged such gratuitous asymmetric regime in courts, the enforceability of such regime is not subject of being suspended.

Telcel has begun proceedings in order to determine the mobile termination rates it must pay to other operators for SMS. In accordance with applicable legislation, the parties have 60 days to agree upon such rates. Upon expiration of such term, either party may begin proceedings (desacuerdos de interconexión) with IFT to establish applicable mobile termination rates.

Short Message Services (SMS)—Royalties

The SAT, notified Telcel of tax assessments totaling Ps.320 million alleging nonpayment of royalties for revenues generated by short message services during 2004 and 2005. The SAT is alleging that Telcel owes such amounts because short message services constitute concessioned services. Telcel has challenged the assessments on the grounds that short message services are value-added services that are not concessioned services. In other proceedings, COFETEL and more recently its successor, the IFT, have ruled that short text messages are subject to the interconnection regulatory regime and that such services do not constitute value-added services and are therefore concessioned services. Telcel has established a provision in the accompanying financial statements for the loss arising from these contingencies that the Company considers probable.

Class Actions

The Federal Consumer Bureau (*Procuraduría Federal del Consumidor,* or "Profeco"), filed an action similar to a class action in Mexican courts on behalf of customers who filed complaints before it, alleging deficiencies in the quality of Telcel's network in 2010 and breach of customer agreements. If the action is resolved in favor of Profeco, Telcel's customers would be entitled to compensation for damages.

Beginning in 2012, Mexican Law provides for class actions seeking compensation. These class actions may arise from antitrust, consumer, data and privacy protection issues, as well as administrative, criminal and environmental violations, and may be filed by the competent authorities or the affected groups.

Five class actions have been initiated against Telcel (i) three are related to quality of service and were filed by consumers; (ii) one also filed by consumers is related to quality of service, but in addition compares wireless voice, data and broadband international rates claiming that rates offered by Telcel are higher than international comparable rates; and (iii) one was filed by Profeco and relates to a network technical malfunction that occurred in January 2013.

The Company currently does not have enough information to determine whether these class actions could have an adverse effect on our business and results of operations if they are resolved against us. Consequently, Telcel has not established a provision in the accompanying financial statements for loss arising from these contingencies.

Carso Global Telecom

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

Sercotel

In March 2012, SAT notified Sercotel and the Company of a fine of approximately Ps.1,400 million because of the SAT's objection to the allegedly improper tax implications of the transfer of certain accounts receivable from one of the Company's subsidiaries to Sercotel. AMX challenged the fine by filing an administrative appeal with the tax authority which is still pending. The Company also expects SAT will issue tax assessments of Ps.2,750 million relating to the same matter.

The Company has not established a provision in the accompanying financial statements for loss arising from these contingencies.

Telmex

COFECO/IFT—Monopolistic practices investigations

Telmex and Telnor, are the target of three investigations into alleged monopolistic practices originally commenced by COFECO. In the first two investigations, it was determined that Telmex and Telnor engaged in monopolistic practices in the fixed-network interconnection services market. Telmex and Telnor have filed legal proceedings (including an appeal for relief (juicio de amparo), against these rulings and their cases are pending resolution. In the third investigation, in February 2013 COFECO determined that Telmex and Telnor engaged in monopolistic practices in the wholesale market for dedicated-link leasing (local and domestic long-distance). Telmex and Telnor challenged that resolution and their cases are still pending.

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

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

Proceedings Concerning Telmex's Relationship with Dish México

As previously disclosed, in November 2008, Telmex entered into several agreements with Dish México, S. de R.L. de C.V. ("Dish México"), and its affiliates, which operate a DTH Pay TV system in Mexico, pursuant to which Telmex is currently providing billing and collection services, among others. Subject to obtaining specific government authorizations, Telmex could invest directly in a joint venture with Dish México.

Telmex has been subject to investigations in the past related to these arrangements. Recently, we have received new inquiries from governmental authorities on this subject, including inquiries from the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores or "CNBV"), in the case of América Móvil, and from both the CNBV and the IFT, in the case of Telmex.

In January 2015, Telmex was notified of a resolution issued by the IFT imposing a fine for an amount of Ps.14.4 million on the grounds that an alleged merger (concentración) between Telmex and Dish was not notified in November 2008. Telmex has filed an appeal for relief (juicio de amparo) against this resolution and the case is still pending. The inquiry received from the CNBV is pending and AMX cannot predict the outcome of such inquiry

Notwithstanding the above, AMX is confident that our actions in connection with our relationship with this customer have been appropriate in all respects, because the arrangements were limited to providing services, providing financial support (in the form of leasing equipment and committing to locate fallback financing) and agreeing to purchase and sale options that could result in Telmex investing in the customer if specified regulatory conditions were met, including the approval from the relevant competent authorities. The Company does not believe these arrangements have at any time been material to our results, our financial condition or our compliance with our regulatory obligations.

However, the 2013 constitutional amendments prohibit a preponderant economic agent from obtaining direct or indirect benefit from the free of charge mandatory "must offer, must carry" rules for cable television providers. In March 2014, the IFT determined that Telmex is part of an economic group that is a preponderant economic agent, and consequently Telmex may not benefit from these rules. We will ensure that Telmex does not benefit from any application of the "must offer, must carry" rules.

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

Brazil

In August 2014, the Brazilian National Telecommunications Agency (Agência Nacional de Telecomunicações, or "Anatel") approved the Company's proposal for a corporate reorganization of certain of its subsidiaries in Brazil, aiming, among other purposes, to simplify their corporate structure and to reduce its operational costs. As result of this reorganization effective in December 2014, Empresa Brasileira de Telecomunicações S.A. ("Embratel"), Embratel Participações S.A. ("Embrapar") and Net Serviços Comunicação, S.A. ("Net Serviços") merged into Claro S.A. ("Claro Brasil"). Claro Brasil is the legal successor of Embrapar, Embratel and Net Serviços, but for reference purposes, this note will indicate the entity involved in each matter prior to the merger.

Tax Matters

ICMS

The Brazilian State Revenue Services have issued multiple tax assessments against Claro Brasil and Americel S.A. ("Americel"), alleging that they improperly claimed certain tax credits under the state value added tax (*Imposto sobre Operações relativas à Circulação de Mercadorias e sobre Prestações de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação,* or "ICMS") regime in each Brazilian state. The Company is contesting these tax assessments in multiple separate proceedings, first at the administrative level and then in the

judicial courts, and these proceedings are at various stages. The Company has received rulings in some of these cases, including some that are unfavorable, which the Company has appealed. As of December 31, 2014 The total amount of the tax assessments is approximately Ps.17,820 million (approximately R$3,216 million), including fines and interest, as of December 31, 2014. The Company has established a provision of Ps.637 million (approximately R$115 million), in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel, Primesys Soluções Empresariais S.A. ("Primesys"), Embratel TVSAT Telecomunicações S.A. ("TV SAT") and Telmex Do Brasil Ltda. ("TdB") received assessments in the amount of Ps.8,184 million (approximately R$1,477 million), from the tax authorities related to nonpayment of ICMS and alleged ICMS tax credits that were incorrectly taken. The Company is contesting these tax assessments in multiple separate proceedings at the administrative level and in the judicial courts. These proceedings are in different stages, and the Company cannot predict the timing of a final outcome. The Company has established a provision of Ps.272 million (approximately R$49 million) in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

Star One S.A. ("Star One"), has received tax assessments in the amount of Ps.14,118 million (approximately R$2,548 million), mainly based on the allegation that the provision of satellite capacity is subject to ICMS tax. The Company is contesting these tax assessments in multiple separate proceedings and has obtained two appealable favorable judicial decisions in two proceedings by second degree Brazilian Courts. A resolution is pending for the majority of the proceedings. The Company has not established a provision in the accompanying consolidated financial statements to cover the losses arising from this contingency.

In 2011 and 2013, Net Serviços was assessed by the Secretary of the Treasury of the State of São Paulo over a tax benefit derived from reducing its ICMS tax base, alleging that Net Serviços did not include revenues from the rental of equipment (*locação de equipamento*) in the ICMS base. The amount of this assessment as of December 31, 2014, was Ps. 2,671 million (approximately R$482 million). The tax authority claims that from (i) January 2008 to November 2009; and (ii) January 2010 to December 2011, Net Serviços should have paid the ICMS on Pay TV services revenues at a rate of 25% instead of the rate of 10% actually applied by Net Serviços. In the tax authority's view, Net Serviços lost the rate reduction benefit allowed by ICMS Agreement No.57/99 because Net Serviços did not include the rental of equipment in its revenues. Net Serviços based its calculation on the interpretation of the Brazilian Superior Court that the rental of equipment shall not be confused with a subscription TV service, and therefore cannot be taxed by ICMS and, consequently, Net Serviços should not lose such tax benefit. However, there is no specific precedent at the administrative or judicial levels on the issue, and it is not possible to predict the outcome of this matter. The Company has established a provision in the accompanying consolidated financial statements.

In 2008 and 2010, Net Brasília Ltda. ("Net Brasília"), a Net Serviços subsidiary, received tax assessment notices from the State Internal Revenue of the Distrito Federal in the amount of Ps.1,141 million (approximately R$155 million and R$51 million), respectively, as of December 2014, relating to the ICMS tax. The tax authority claims that during the period from January 2003 to June 2009 Net Brasília should have paid the ICMS on Pay TV services revenues at a rate of 25% instead of the rate of 10% actually applied by Net Brasília. In the tax authority's view, the rate reduction benefit allowed by ICMS Agreement No. 57/99 expired on December 31, 2001. In connection with this matter in November 2014, the State of Distrito Federal enacted a law to exempt most part of ICMS if the taxpayers agreed to voluntarily pay the charged values. The exemption was so relevant that, even though the probability of loss was classified as possible, it was interesting to enter into this exemption program. The benefit caused a reduction of 96% of the tax assessment. In December 2014, Net Brasília paid Ps.72 million (approximately R$13 million) pursuant to an exemption under 2014 state legislation and closed both cases.

In October 2002, Net Rio Ltda. ("Net Rio"), a Net Serviços subsidiary, received a tax assessment notice from the State Tax Authority of the State of Rio de Janeiro in the amount of Ps.1,468 million (approximately R$265 million) relating to the ICMS tax. The tax authority alleged that, as a result of delays in the payment of its ICMS tax during the period from November and December 2001, Net Rio lost its rate reduction benefit until September 2002. Net Rio has recorded liabilities related to the period from November and December 2001 in the amount of Ps.211 million (approximately R$38 million). Based on analysis performed by legal counsel after an unfavorable decision from the lower court, Net Rio made an additional provision to the period from January to September 2002 in the amount of Ps.1,468 million (approximately R$265 million), as of December 2014.

IRPJ/ CSLL

In December 2014, the Brazilian Federal Revenue Service has issued tax assessment regarding goodwill amounts amortized by Claro Brasil between 2009 and 2012, charging Corporate Income Tax (Imposto sobre Renda de Pessoa Jurídica, or "IRPJ"), Social Contribution on Net Profit (*Contribuição Social Sobre o Lucro Líquido,* or "CSLL") and penalties due to the late payment of the taxes. The total amount of the tax assessment is approximately Ps.8,771 million (approximately R$1,583 million). This contingency is considered possible and the Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from it.

Claro Brasil has other ongoing tax litigations in the amount of Ps.272 million (approximately R$49 million), related to IRPJ and CSLL. The Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from these contingencies.

Embratel, Star One and Embrapar have other ongoing tax litigations in the amount of Ps.3,912 million (approximately R$706 million), mainly related to incorrect deductions for purposes of IRPJ and CSLL. The Company has established a provision of Ps.1,801 million (approximately R$325 million), in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

In 2009, Net São Paulo Ltda., a Net Serviços subsidiary merged into Net Serviços in 2013, received a tax assessment issued by the Brazilian Internal Revenue Service questioning part of the expenses considered as deductible in the calculation of IRPJ and CSLL from 2004 to 2008, amounting to Ps.3,031 million (approximately R$547 million). In October 2010, a first instance decision reduced this amount to Ps.2,056 million (approximately R$371 million). As of December 31, 2014, the total amount in dispute is Ps.2,638 million (approximately R$476 million). The Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from these contingencies.

In 2012 and 2013, Net Serviços received other tax assessments in the amount of Ps.765 million (approximately R$138 million) issued by the Brazilian Internal Revenue Service, regarding the same matter and related to the period between 2007 and 2008. The Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from these contingencies.

In 2014, the Refis da Copa law was enacted to partially exempt the taxes contested in legal proceedings if the taxpayers agreed to voluntarily pay the charged values with cash and tax credits arising from IRPJ and CSLL carry forwards. Pursuant to such law, in 2014 Net Serviços paid an amount of Ps.659 million (approximately R$119 million) closing the assessments received in 2009, 2012 and 2013 and representing an 80.6% reduction of the tax assessments' updated amount.

NET Serviços has other ongoing tax litigations in the amount of Ps.471 million (approximately R$85 million), related to IRPJ and CSLL. The Company has established a provision of Ps.100 million (approximately R$18 million), in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

PIS/COFINS

In December 2005, the Brazilian Federal Revenue Service issued tax assessments against Claro Brasil and Americel in respect of PIS (Programa de Integração Social, or "PIS") and Brazilian Social Welfare Tax for Service Export Security (*Contribuição para o Financiamento da Seguridade Social,* or "COFINS") taxes (which are levied on gross revenue), for 2000 through 2005. In addition, in March 2006, the Brazilian Federal Revenue Service issued tax assessments against ATL-Telecom Leste, S.A. ("ATL"), related to certain tax deductions taken by ATL in connection with its PIS and COFINS obligations. As discussed above, Claro Brasil is the corporate successor to ATL.

In January 2011, the Brazilian Federal Revenue Service issued tax assessments against Claro Brasil regarding allegedly improper offsetting of certain tax deductions claimed by Claro Brasil in connection with its PIS and COFINS obligations. The total amount of these tax assessments, which Americel and Claro Brasil are contesting in pending challenges, was Ps.8,417 million (approximately R$1,519 million), including fines and interest as of December 31, 2014. The Company has established a provision of Ps.50 million (approximately R$9 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Separately, Claro Brasil and Americel have commenced lawsuits against the Brazilian Federal Revenue Service seeking a ruling on constitutional grounds that they may exclude state value added tax (ICMS) payments and interconnection fees from the base used to calculate PIS and COFINS tax obligations. Pending a final ruling and pursuant to applicable Brazilian procedure, the Company paid tax based on its position in the lawsuit, and established a provision for the disputed amounts. The total amount in dispute was approximately Ps.10,822 million (approximately R$1,953 million).

Embrapar, Embratel, *Brasil Center Ltda.* ("Brasil Center") and TdB have tax contingencies of Ps.122 million (approximately R$22 million), mostly related to the contributions of PIS prior to 1995, which the tax authorities allege were incorrectly offset. The Company is contesting these tax assessments in proceedings that are in different stages. AMX has not established a provision in the accompanying consolidated financial statements and does not consider any loss to be probable.

Embrapar, Embratel, Brasil Center and TdB have tax contingencies of Ps.1,319 million (approximately R$238 million) as of December 31, 2014, related to the payment of COFINS. The Company is contesting these tax assessments in proceedings that are in different stages. The Company has established a provision of Ps.61 million (approximately R$11 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

FUST and FUNTTEL Funding

Anatel has issued tax assessments against Claro Brasil and Americel totaling Ps.7,165 million (approximately R$1,293 million), relating to alleged underpayment of their funding obligations for the Telecommunications System Universalization Fund (*Fundo de Universalização dos Serviços de Telecomunicações,* or "FUST") and the Telecom Technologic Development Fund (*Fundo para o Desenvolvimento Tecnológico das Telecomunicações,* or "FUNTTEL") from 2006 to 2010. The assessments claim that interconnection and activation fee revenues should not have been excluded from the basis used to calculate funding obligations. Claro Brasil and Americel have challenged the tax assessments, and the challenges are still pending. The Company has not made a provision in the accompanying consolidated financial statements to cover losses arising from this contingency.

Anatel and the Brazilian Ministry of Communications (*Ministério das Comunicações,* or MINICOM) have issued tax assessments against Embratel, Star One and Primesys totaling Ps.8,400 million (approximately R$1,516 million), relating to alleged underpayment of their funding obligations for FUST, from 2001 to 2012, and FUNTTEL, from 2001 to 2010. The assessments claim that interconnection and other revenues should not have been excluded from the basis used to calculate funding obligations. The companies have challenged the tax assessments, and such challenges are pending. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies. The Company has made a judicial deposit in the amount of Ps.970 million (approximately R$175 million) related to part of the contingencies relating to FUST.

ISS

The Municipal Revenue Services have issued tax assessments against Embratel, Primesys, Brasil Center and TdB totaling Ps.5,098 million (approximately R$920 million) arising from nonpayment of Brazilian Services Tax (Imposto sobre Serviços, or "ISS") in connection with the provision of certain services. The companies have challenged the tax assessments on the grounds that such services are not subject to ISS tax, and the challenges are pending. The Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from these contingencies.

Net Serviços has contingencies related to ISS (Municipality of Santo André and Campinas) in the amount of Ps.853 million (approximately R$154 million) as of December 31, 2014, unduly charging ISS over telecommunication services (subject to ICMS). Due to an unfavorable judicial decision the probability of loss was reclassified as possible. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

Claro Brasil has others ongoing tax assessments related to ISS in the amount of Ps.199 million (approximately R$36 million) as of December 31, 2014, most related to ISS over certain services considered by Claro Brasil as non- taxable. The Company has not established a provision in the accompanying financial statements to cover losses arising from these contingencies.

EBC Funding

Claro Brasil, Embratel and Americel have filed an injunction challenging a federal law that created the Brazilian Communication Company (*Empresa Brasileira de Comunicação,* or "EBC") that is to be partially funded by mobile operators. If Claro Brasil and Americel are unsuccessful in their challenge, the total amount they would be required to contribute to EBC through December 31, 2014 is approximately Ps.2,643 million (approximately R$477 million). The Company has made a judicial deposit in this amount. The Company has established a provision of Ps.2,593 million (approximately R$468 million), in the accompanying consolidated financial statements for losses arising from this contingency which the Company considers probable.

TFI—Installation Inspection Fee

Anatel charged Claro Brasil and Americel the amount of Ps.10,157 million (approximately R$1,833 million) as of December 31, 2014, related to the installation inspection fee (*Taxa de Fiscalização de Instalação,* or "TFI") allegedly due for the renewal of radio base stations and handsets. Claro Brasil and Americel have challenged the amount charged, arguing that there was no new equipment installation that could lead to this charge, and the challenges are still pending. The Company has not established a provision in the accompanying consolidated financial statements and does not consider any loss to be probable.

Imposto sobre Operações Financeiras (IOF)

Net Serviços and its controlled companies have centralized cash management and cash transfers made under a current intercompany account. Management determined that such transfers are not subject to financial transaction tax IOF charges. However, the Federal Revenue Service may deem such transfers to be inter-company loans. In the event such transfers are deemed to be inter-company loans, the Company may be subject to IOF, on the amount of the loans. IOF applies to loans between non-financial entities at a maximum rate of 1.5% per year where the principal amount and the term for repayment is fixed, and at a daily rate of 0.0041% on the outstanding balance, without limit on the total amount of tax payable, if the principal amount of the loan is not fixed. In view of certain adverse court decisions as to the applicability of this law, the Company has established a provision of Ps.355 million (approximately R$64 million) as of December 31, 2014.

Tax Credit for Income Tax Withheld Abroad

The Brazilian Federal Revenue Service has issued tax assessments in the amount of Ps.1,923 million (approximately R$347 million), against Claro Brasil alleging that it incorrectly offset tax withheld in other countries against some of its Brazilian tax obligations. During 2011, Claro Brasil terminated its challenge with respect to Ps.1,369 million (approximately R$247 million), in tax assessments and paid those amounts to the Brazilian Federal Revenue Service, to preserve the right to offset the foreign tax withheld related to such tax assessments against its Brazilian tax obligations in future years. The total amount of the tax assessments that Claro Brasil is contesting as of December 31, 2014 is approximately Ps.648 million (approximately R$117 million). The Company has not made a provision in the accompanying financial consolidated statements to cover losses arising from this contingency.

Other tax contingencies

As of December 31, 2014, the Company´s Brazilian subsidiaries are engaged in a number of additional administrative and legal proceedings challenging tax assessments, as summarized below:

- Claro Brasil and Americel have other on-going tax litigations in the total amount of Ps.704 million (approximately R$127 million) as of December 31, 2014, mostly related to the Brazilian Economic Intervention Contribution (*Contribuição de Intervenção no Domínio Econômico* or "CIDE"), the public price concerning the administration of numbering resources (Preço Público Relativo à Administração dos Recursos de Numeração, or "PPNUM") and import taxes (*Imposto de Importação,* or "II"). The Company has established a provision of Ps.78 million (approximately R$14 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.
- Embratel, Star One, TdB, and Primesys have other ongoing tax litigations in the amount of Ps.2,261 million (approximately R$408 million), mainly related to *Instituto Nacional do Seguro Social,* or "INSS", *Imposto Sobre Produtos Industrializados,* or "IPI", CPMF and the offsetting of IRPJ, COFINS, CSLL and Brazilian Foreign Paid Income Tax (*Imposto de Renda Retido na Fonte,* or "IRRF") against allegedly improper IRPJ credits. The Company has established a provision of Ps.55 million (approximately R$10 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.
- Embratel was fined Ps.1,773 million (approximately R$320 million) by the Brazilian Federal Revenue Service for not making certain filings in the correct form from 2002 through 2005. The Company is contesting this fine on various grounds. The Company has not established a provision in the accompanying financial statements to cover losses arising from this contingency.
- Embrapar, Embratel, Star One and TdB have received assessments in the total amount of Ps.1,435 million (approximately R$259 million), mainly related to allegedly nonpayment of the IRRF and CIDE and overpayments related to outbound traffic. The Company is challenging those assessments in administrative and judicial proceedings. The Company has established a provision of Ps.11 million (approximately R$2 million) in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Regulatory Matters

Anatel Inflation-Related Adjustments

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

Under the agreements with Anatel, 40% of the concession price was due upon execution and 60% was due in three equal annual installments (subject to inflation-related adjustments and interest), beginning in 1999. The companies made all payments, but Anatel challenged the companies´ calculation of the inflation-related adjustments related to the payment corresponding to 60% of the concession price, alleging that such calculation resulted in a shortfall, and requesting additional payment. The amount of this shortfall and the method used to calculate monetary correction are subject to judicial disputes.

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

In December 2008, Anatel charged Tess approximately Ps.1,491 million (approximately R$269 million). Tess obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved. Similarly, in March 2009, Anatel charged ATL approximately Ps.1,058 million (approximately R$191 million). ATL also obtained an injunction from the Federal Court of Appeals suspending payment until the pending appeal is resolved. In April 2013, the appeal filed by ATL with respect to the declaratory suit was denied, and Claro Brasil filed a new appeal.

The Company calculated the amount of the shortfall based on a specific method and certain assumptions. If other methods or assumptions are used, the amount of damages may increase. In September 2014, Anatel calculated monetary correction in a total amount of Ps.8,866 million (approximately R$1,6 billion).

The Company has established a provision of Ps.3,302 million (approximately R$596 million), in the accompanying financial statements for losses arising from these contingencies which the Company considers probable.

Consumer Protection Lawsuit (DPDC)

In July 2009, the Brazilian Federal and State Prosecutor Office, along with the Consumer Protection and Defense Agency and other Brazilian consumer protection agencies, initiated a lawsuit against Claro Brasil alleging that it has violated certain regulations governing the provision of telecommunications services. The amount claimed by the plaintiffs is Ps.1,662 million (approximately R$300 million). In September 2013, the relevant court ruled against Claro Brasil, and awarded the plaintiff Ps.166 million (approximately R$30 million). The plaintiffs and Claro Brasil challenged the ruling and those challenges are still pending.

The Company has not established a provision in the accompanying financial statements to cover losses arising from this contingency, which the Company does not consider probable.

Implementation of the new national domestic telephone number system

As a result of alleged service disruptions caused during the implementation of a new domestic dialing system in 1999, Embratel was fined by Anatel and DPDC, and several class actions were initiated against it. The aggregate total amount of these contingencies is Ps.887 million (approximately R$160 million). The Company contested these claims and in 2014 the Company obtained a favorable decision. The fine, applied by the Rio de Janeiro's Consumer Protection Agency, was nullified.

Administrative proceedings (PADOs)

Anatel filed several administrative proceedings (*Procedimentos Administrativos de Descumprimento de Obrigação,* or "PADOs"), against Claro Brasil in the amount of Ps.610 million (approximately R$110 million), because of alleged noncompliance with quality targets set by Anatel. The Company is contesting the PADOs on various grounds. The Company has established a provision of Ps.388 million (approximately R$70 million), in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

Anatel filed several administrative proceedings (PADOs), against Embratel and Embrapar in the amount of Ps.4,305 million (approximately R$777 million), because of alleged noncompliance with quality targets set by Anatel. The Company is contesting the PADOs on various grounds. The Company has established a provision of Ps.89 million (approximately R$16 million), in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

Other civil and labor contingencies

Claro Brasil and its subsidiaries are also party to other claims in the amount of Ps.9,846 million (approximately R$1,777 million), including claims filed by its telephone service customers and claims relating to environmental matters. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps.382 million (approximately R$69 million), in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

Claro Brasil and its subsidiaries are party to labor claims in the amount of Ps.6,716 million (approximately R$1,212 million), filed by its current and former employees, alleging compensation for pension and other social benefits, overtime work, outsourcing and equal pay. The Company has established a provision of Ps.765 million (approximately R$138 million) in the accompanying consolidated financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel and its subsidiaries are also party to other claims in the amount of Ps.4,012 million (approximately R$724 million), including claims filed by its telephone service customers and claims relating to environmental matters. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps.305 million (approximately R$55 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel and its subsidiaries are party to labor claims in the amount of Ps.4,771 million (approximately R$861 million), filed by its current and former employees, alleging compensation for pension and other social benefits, overtime work, outsourcing and equal pay. The Company has established a provision of Ps.582 million (approximately R$105 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Net Serviços and its subsidiaries are also party to other claims in the amount of Ps.3,712 million (approximately R$670 million), including claims filed by its Pay TV, internet access and telephone service customers. The Company is contesting the cases, which are in various stages. The Company has established a provision of Ps.948 million (approximately R$171 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Net Serviços and its subsidiaries are party to labor claims in the amount of Ps.9,215 million (approximately R$1,663 million), filed by its current and former employees, seeking additional compensation for performing high-risk activities and for overtime work and commissions. The Company has established a provision of Ps.831 million (approximately R$150 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Disputes with third parties

Claro Brasil and Americel are parties to certain disputes with third parties in connection with former sales agents, class actions (ACP's), real estate issues, and other matters in the aggregate amount of Ps.2,903 million (approximately R$524 million). The Company has established a provision of Ps.122 million (approximately R$22 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Embratel, TdB, Primesys and Brasil Center are parties to a number of cases on a range of matters, including, among other things, disputes with former sales agents and disputes with former employees regarding health care payments. The cases, which are in advanced stages of the litigation process, are for claims in the amount of Ps.2,266 million (approximately R$409 million). The Company has established a provision of Ps.1,042 million (approximately R$188 million), in the accompanying financial statements for the losses arising from these contingencies that the Company considers probable.

Ecuador

Conecel

Tax Assessments

During 2008, the Ecuadorian Internal Revenue Services (*Servicios de Rentas Internas del Ecuador,* or "SRI") notified Conecel of tax assessments in the amount of Ps.2031 million (approximately US$138 million) (not including interest and penalties), relating to special consumption (ICE), value-added, income and withholding taxes for the years 2003 to 2006. In March 2008, Conecel has paid a portion of these tax assessments, including fines, and has challenged the outstanding amount with the SRI and, subsequently, with a Tax

Court in Guayaquil. In March 2012, such Tax Court issued a favorable resolution with respect to Ps.353 million (approximately US$24 million). Following a series of unfavorable judicial decisions, in July 2013 and May 2014, Conecel paid the outstanding portion of the tax assessments, in an aggregate amount of Ps.2,164 (approximately US$147 million), including principal and accrued interest.

In 2011 and 2012, SRI notified Conecel of tax assessments in the amount of 1,751 million (approximately US$119 million), relating to income taxes for the 2007, 2008 and 2009 fiscal years. Conecel began certain judicial proceedings challenging the tax assessments and final resolutions for the challenges to the resolutions relating to the years 2008 and 2009 are still pending. The National Court of Justice, however, issued a final ruling in connection with Conecel's income tax for the year 2007 and determined that Conecel had to pay Ps.706 million (approximately US$48 million), including principal and accrued interest.

The Company has established a provision of Ps.235 million (approximately US$16 million) in the accompanying financial statements for the loss arising from these contingencies that AMX considers probable.

Fine imposed by the SCPM

In February 2014, following a regulatory claim filed in 2012 by the state-owned operator, Superintendency of Control of Market Power (*Superintendencia de Control del Poder del Mercado* or "SCPM"), imposed a fine on Conecel of Ps.2,037 million (US$138 million), for alleged monopolistic practices related to five locations which the state-owned operator argues that Conecel has exclusive rights to deploy its network preventing others from doing so. In March 2014, Conecel challenged the fine and posted a guarantee for 50% of its value. Through a judicial order issued during the same month, the competent court admitted Conecel's lawsuit and suspended the effects of the contested fine. A final resolution is still pending.

The Company has not established a provision in the accompanying financial statements to cover losses arising from this contingency.

Peru

OSIPTEL—Monopolistic practices investigations

Along with another mobile operator, América Móvil Perú, S.A.C. ("Claro Perú"), was the target of an investigation into alleged monopolistic practices conducted by the Peruvian National Regulatory Authority (*Organismo Supervisor de la Inversión Privada en Telecomunicaciones,* or "OSIPTEL"), related to mobile international long distance rates.

OSIPTEL fined Claro Peru Ps.2 million (US$118,000) for monopolistic practices (price-squeezing in long distance tariffs). Although the fine is well below the maximum amount established by law, Claro Peru appealed the decision before the Administrative Tribunal in OSIPTEL, considering that the fine is unjustified and the decision has serious inconsistencies. If necessary, Claro Perú would also seek to challenge the resolution in Courts.

The Company has not established a provision in the accompanying consolidated financial statements to cover losses arising from this contingency.

Bulgaria

Mobiltel

Tax Assessment

In June 2014, the Bulgarian tax authorities issued a tax assessment regarding accounting of brand name and customer base amortized by Mobiltel EAD ("Mobiltel") for the years 2006 and 2007. The total amount of the tax assessment is approximately Ps.338 million (approximately €€ 19 million). Mobiltel initiated administrative proceedings with the highest Bulgarian tax authority challenging the resolution. On December 1, 2014, Mobiltel was notified that the resolution was upheld. Mobiltel challenged the resolution before the competent judicial courts and such challenge is pending. Mobiltel issued a bank guarantee covering up to Ps.410 million (approximately € 23 million). In case of an unfavorable decision by the competent judicial courts, Mobiltel might face a further potential additional claim for the years 2008 to 2012 in the amount of up to Ps.1,318 million (approximately €74 million).

21 Segments

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

The CEO, who is the Chief Operating Decision Maker ("CODM"), analyzes the financial and operating information by geographical segment, except for Mexico, which shows América Móvil (Corporate and Telcel) and Telmex as two segments. All significant operating segments that (i) represent more than 10% of consolidated revenues, (ii) more than the absolute amount of its reported 10% of profits or loss and (iii) more than 10% of consolidated assets, are presented separately.

The Company has aggregated operating segments into the following reporting segments for purposes of its consolidated financial statements: Southern cone includes Argentina, Chile, Paraguay and Uruguay; Andean includes Ecuador and Peru.

The Company is of the view that the quantitative and qualitative aspects of the aggregated operating segments are similar in nature for all periods presented. In evaluating the appropriateness of aggregating operating segments, the key qualitative indicators include but not were limited to: (i) all entities provide telecommunications services, (ii) similarities of customer bases and services, (iii) the methods to distribute services are the same, based on telephone plant in both cases, wireless and fixed lines, (iv) similarities of governments and regulatory entities that oversee the activities and services that telecom companies, (v) inflation trends and (vi) currency trends.

	Mexico [1]	Telmex	Brazil	Southerm Cone [2]	Colombia
At December 31, 2012:					
External revenues	175,430,425	101,487,047	207,503,622	61,582,530	73,216,252
Intersegment revenues	8,215,134	4,537,527	2,282,932	435,281	215,816
Total revenues	183,645,559	106,024,574	209,786,554	62,017,811	73,432,068
Depreciation and amortization	9,190,768	16,758,034	39,827,700	7,182,614	10,346,090
Operating income (loss)	81,961,505	20,861,828	12,686,216	8,071,120	22,709,742
Interest income	773,205	236,106	2,717,879	18,709	13,417
Interest expense	16,115,981	2,467,279	2,592,655	660,930	372,933
Income tax	22,358,177	5,642,907	1,210,759	3,998,988	6,397,518
Equity interest in net income (loss) of associated companies	770,206	116,240	(4,966)	6,541	
Net profit attributable to parent	55,193,008	10,798,865	582,186	2,606,370	15,151,468
Assets by segment	827,401,946	142,682,044	312,344,781	102,201,239	107,371,575
Plant, property and equipment, net	45,046,012	103,336,105	163,154,248	53,108,253	45,200,786
Goodwill	9,468,188	103,823	29,435,809	2,112,690	15,642,979
Trademarks, net	11,882		736,803	53,193	
Licenses and rights, net	4,693,796	161,629	25,512,676	1,331,605	3,220,881
Investment in associated companies	82,966,158	1,523,525	681	205,525	18,816
Liabilities by segments	496,054,819	143,884,994	168,454,045	63,320,536	38,459,314
At December 31, 2013:					
External revenues	183,016,890	99,445,347	196,705,316	61,246,969	73,963,729
Intersegment revenues	10,160,630	6,423,735	3,181,271	273,581	246,404
Total revenues	193,177,520	105,869,082	199,886,587	61,520,550	74,210,133
Depreciation and amortization	11,405,254	16,645,362	38,247,324	7,241,569	9,248,385
Operating income (loss)	78,761,006	20,038,136	11,101,318	6,173,734	21,351,301
Interest income	8,739,161	166,672	1,655,190	2,948,225	897,567
Interest expense	23,388,422	2,988,604	7,517,536	1,222,657	476,135
Income tax	9,510,280	6,010,974	(816,879)	3,317,959	6,461,978
Equity interest in net income (loss) of associated companies	39,085	(11,029)	(4,122)	12,806	
Net profit attributable to parent	48,128,000	7,872,632	(4,677,533)	964,798	12,630,598
Assets by segment	848,465,485	139,142,892	307,736,000	89,424,062	104,248,636
Plant, property and equipment, net	60,814,974	96,194,388	163,202,395	49,863,386	44,167,846
Goodwill, net	10,625,643	103,823	22,483,916	1,944,142	14,402,035
Trademarks, net	10,708	371,324	565,583	22,905	
Licenses and rights, net	4,372,216	131,939	19,138,690	1,342,555	3,518,872
Investment in associated companies	98,594,805	1,575,687	24,566	162,562	25,276
Liabilities by segments	591,193,076	114,351,892	187,788,294	66,706,964	35,838,774
At December 31, **2014**:					
External revenues	**185,131,037**	**100,753,221**	**201,346,118**	**56,415,660**	**75,749,655**
Intersegment revenues	**10,578,487**	**6,764,446**	**3,300,831**	**116,703**	**241,953**
Total revenues	**195,709,524**	**107,517,667**	**204,646,949**	**56,532,363**	**75,991,608**
Depreciation and amortization	**17,656,638**	**15,508,063**	**41,054,736**	**6,844,209**	**9,636,630**
Operating income (loss)	**73,461,741**	**22,284,356**	**12,669,105**	**6,592,505**	**17,668,690**
Interest income	**9,202,336**	**306,061**	**4,580,129**	**2,914,330**	**678,055**
Interest expense	**25,586,733**	**1,930,074**	**12,083,113**	**834,485**	**759,198**
Income tax	**21,294,488**	**5,361,854**	**(860,825)**	**3,173,025**	**5,149,614**
Equity interest in net income (loss) of associated companies	**(2,641,390)**	**45,346**	**(57,246)**	**(4,099)**	
Net profit attributable to parent	**23,175,798**	**9,359,177**	**(4,765,722)**	**(2,099,324)**	**9,297,693**
Assets by segment	**943,075,916**	**138,855,469**	**365,026,179**	**100,358,878**	**98,009,919**
Plant, property and equipment, net	**63,357,233**	**94,616,938**	**180,062,462**	**51,809,436**	**44,986,383**
Goodwill	**9,547,284**	**187,382**	**21,864,430**	**2,570,885**	**13,063,780**
Trademarks, net	**1,427,927**	**385,251**	**480,884**	**9,567**	**1,002**
Licenses and rights, net	**4,297,637**	**102,248**	**34,241,704**	**5,063,150**	**3,922,260**
Customer relationships					
Investment in associated companies	**50,987,952**	**1,876,389**	**592**	**129,431**	**29,314**
Liabilities by segments	**662,701,177**	**107,172,821**	**235,793,721**	**81,439,115**	**45,796,322**

(1) Mexico includes Telcel and corporate operations and assets

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

(3) Andean includes Ecuador and Peru.

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

(5) Excludes Puerto Rico

(6) Caribbean includes the Dominican Republic and Puerto Rico

(7) Europe includes Austria, Bulgaria, Croatia, Belarus, Slovenia, Macedonia and Serbia.

Andean [3]	Central-America [4]	U.S.A.[5]	Caribbean [6]	Europe	Eliminations	Consolidated total
42,326,250	22,940,389	63,143,785	27,439,345			775,069,645
169,038	107,089		2,099		(15,964,916)	
42,495,288	23,047,478	63,143,785	27,441,444		(15,964,916)	775,069,645
4,689,847	9,609,151	443,848	5,536,792		(107)	103,584,737
13,176,907	(3,497,129)	1,827,830	2,882,513		469,448	161,149,980
30,777	34,976	131	33,966		(80)	3,859,086
72,206	16,942		323		(31,478)	22,267,771
3,708,410	1,119,312	845,900	701,481			45,983,452
	(45,635)				(81,025)	761,361
9,303,620	(4,895,158)	1,063,311	1,356,784		(171,884)	90,988,570
68,433,805	50,569,456	20,838,444	66,978,458		(711,137,065)	987,684,683
25,791,457	35,176,900	1,630,494	27,990,017			500,434,272
5,082,613	4,740,253	1,469,387	31,650,117			99,705,859
1,596	134,009		205,832			1,143,315
4,300,618	2,650,808		2,180,417			44,052,430
	16,782				(11,615,202)	73,116,285
20,608,834	26,307,510	19,042,295	30,985,410		(274,281,320)	732,836,437
44,943,680	24,106,372	77,166,979	25,505,739			786,101,021
169,338	112,813		2,815		(20,570,587)	
45,113,018	24,219,185	77,166,979	25,508,554		(20,570,587)	786,101,021
5,035,188	8,377,356	509,104	4,825,291			101,534,833
11,910,251	(1,129,337)	938,885	4,478,012		634,450	154,257,756
766,272	154,830	130,229	300,688		(12,833,000)	2,925,834
232,765	148,356	121	43,194		(12,067,137)	23,950,653
4,592,131	(115,610)	39,182	1,392,716			30,392,731
			(458)			36,282
7,826,900	(1,132,279)	1,192,188	1,520,279		299,396	74,624,979
73,556,522	52,129,267	23,343,580	65,984,117		(678,438,128)	1,025,592,433
24,348,547	34,133,513	1,831,731	26,550,171			501,106,951
5,046,380	4,757,332	1,472,896	31,650,117			92,486,284
143	5		195,638			1,166,306
3,750,190	2,607,825		2,191,545			37,053,832
	16,651				(11,512,523)	88,887,024
23,281,476	24,398,597	20,546,879	23,411,304		(272,225,900)	815,291,356
47,638,268	**26,911,181**	**91,097,363**	**25,827,251**	**37,392,066**		**848,261,820**
163,908	**111,963**		**14,521**		**(21,292,812)**	
47,802,176	**27,023,144**	**91,097,363**	**25,841,772**	**37,392,066**	**(21,292,812)**	**848,261,820**
5,409,431	**8,497,557**	**564,952**	**4,923,004**	**4,916,757**	**(18,426)**	**114,993,551**
12,131,925	**(212,229)**	**1,519,741**	**4,923,349**	**5,228,573**	**286,494**	**156,554,250**
1,118,629	**182,037**	**162,890**	**459,998**	**134,899**	**(12,687,093)**	**7,052,271**
413,769	**154,958**		**54,609**	**1,446,442**	**(11,740,858)**	**31,522,523**
4,290,993	**1,244,570**	**699,237**	**1,442,656**	**(2,088,063)**		**39,707,549**
				(3,415,620)		**(6,073,009)**
6,994,299	**(1,306,575)**	**1,245,720**	**3,505,502**	**2,319,109**	**(1,579,307)**	**46,146,370**
82,779,795	**57,727,606**	**33,018,415**	**72,259,136**	**187,958,436**	**(800,713,080)**	**1,278,356,669**
26,529,773	**34,803,570**	**3,604,645**	**26,481,689**	**69,344,189**		**595,596,318**
4,386,035	**4,936,560**	**1,741,418**	**31,650,117**	**50,955,500**		**140,903,391**
29			**212,465**	**8,928,464**		**11,445,589**
3,645,244	**2,387,686**		**3,047,521**	**26,856,395**		**83,563,845**
		1,088,540		**13,731,676**		**14,820,216**
	18,737			**812,895**	**(4,592,729)**	**49,262,581**
26,833,960	**27,219,970**	**29,029,234**	**31,476,106**	**122,601,259**	**(326,346,064)**	**1,043,717,621**

22 Components of other comprehensive income

The movements on the components of the other comprehensive income (loss) for the years ended December 31, 2012, 2013 and 2014 is as follows:

	2012	2013	2014
Controlling interest:			
Valuation of the derivative financial instruments, net of deferred taxes	Ps. (253,428)	Ps. (741,321)	**Ps. (329,112)**
Translation effect of foreign subsidiaries and associates	(32,899,915)	(26,485,343)	**(5,786,883)**
Remeasurement of defined benefit plan, net of deferred taxes	2,377,006	(2,289,811)	**(6,625,463)**
Non-controlling interest of the items above	(444,290)	(550,586)	**(635,804)**
Other comprehensive loss	Ps. (31,220,627)	Ps. (30,067,061)	**Ps. (13,377,262)**

23 Subsequent Events

a) On January 9, 2015, the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones,* or "IFT") imposed a fine of Ps.14,400 on Telmex for failing to disclose to the IFT, in November of 2008, what the IFT has called a merger (*concentración*) between Telmex and Dish México Holdings, S. de R.L. de C.V., and its related companies. AMX will exercise any and all legal remedies to challenge the IFT's resolution.

b) On January 2015, the Company (through its subsidiary "Tracfone") and the Federal Trade Commission ("FTC") finalized the terms of a stipulated order, related to the Company's prior practice of marketing data. The order included payment of US$40,000 to the FTC to be deposited into a fund administered by the FTC or its designee to be used for consumer redress as a fixed payment amount, and for any expenses for the administration of the fund.

As of December 31, 2014, the Company had recorded a provision for settlement of the FTC and class action law suits. The total amount of US$45,100 was included in accounts payable in the consolidated statements of financial position as of December 31, 2014, and as Other expenses in the consolidated statement of comprehensive income for the year ended December 31, 2014.

c) On March, 2015, the Company reported that its Board of Directors decided to submit to the Annual Ordinary General Shareholders' Meeting to be held on or before April 30,2015 to (i) pay a cash dividend from the profit tax account (cuenta de utilidad fiscal or "CUFIN"), of Ps.0.26 , payable in two installments, to each of the shares of its capital stock series "AA", "A" and "L" (which includes the preferred dividend correspondent to the series "L" shares), subject to adjustments arising from other corporate events (including repurchase or placement of its own shares), that may vary the number of shares outstanding as of the date of said dividend payment;(ii) pay a cash dividend from the profit tax account CUFIN, of Ps.0.30 , payable in one installment during September 2015, to each of the shares of its capital stock series "AA", "A" and "L", subject to adjustments arising from other corporate events (including repurchase or placement of its own shares), that may vary the number of shares outstanding as of the date of said dividend payment; and (iii) allocate the amount of Ps.35,000,000, to repurchase shares from April 2015 to April 2016.

d) On March 2015, the Company entered that a settlement agreement has been entered into with Axtel, S.A.B. de C.V. and Avantel, S. de R.L. de C.V. (collectively, "Axtel"). Pursuant to such settlement agreement, certain disputes regarding termination rates and related interconnection matters have been finally settled between Axtel, on the one hand, and Telcel, Telmex and Teléfonos del Noroeste ("Telnor"), on the other.

As part of the settlement agreement, Axtel and Telcel executed interconnection services agreements. With the execution of these agreements all disputes regarding mobile termination rates and related interconnection proceedings that started in 2005 have been finally settled between the parties. In addition, disputed and outstanding amounts related to mobile termination services for the period from 2005 to 2014 have been paid.

In consideration for the execution of the settlement agreement; the execution of interconnection services agreements with Telcel for the period from 2005 to 2015; the settlement and termination of certain existing disputes and claims with Telcel, Telmex and Telnor; and the assignment to América Móvil of certain litigation rights arising from administrative and judicial proceedings existing between the parties, América Móvil paid Axtel Ps.950,000, which was recognized in the consolidated statement of comprehensive income for the year ended December 31, 2014.

e) On April 17, 2015 the Extraordinary Shareholders' approved the spin-off from América Móvil of a newly created company, and the contribution to such new company of certain assets (mainly comprised of the passive infrastructure used by its wireless operations in Mexico), liabilities and equity.

24 Supplemental Guarantor Information

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

Consolidating Condensed Financial Information

The following consolidating information presents condensed consolidating statement of financial position as of December 31, 2013 and 2014 and condensed consolidating statements of comprehensive income and cash flows for each of the three years in the period ended December 31, 2014 of the Company and Telcel (the "wholly-owned Guarantor Subsidiary"). These statements are prepared in accordance with IFRS with the exception that the subsidiaries are accounted for as investments under the equity method rather than being consolidated. The guarantees of the Guarantor are full and unconditional.

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

		As of December 31, 2013			
	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets:					
Cash and cash equivalents	Ps. 15,818,207	Ps. 1,227,994	Ps. 31,117,349	Ps. –	Ps. 48,163,550
Accounts receivable, net	44,885,269	12,962,566	80,494,138		138,341,973
Related parties	147,109,666	15,509,108	165,344,115	Ps. (326,616,497)	1,346,392
Inventories, net	448,408	19,933,734	16,373,268	(36,457)	36,718,953
Other current assets		607,696	11,519,504		12,127,200
Property, plant and equipment, net	8,852,264	36,416,986	455,837,701		501,106,951
Investments in associated companies	610,075,358	109,257,851	96,096,875	(726,543,060)	88,887,024
Intangible assets and other non-current assets, net	6,925,695	12,869,281	179,105,414		198,900,390
Total assets	Ps. 834,114,867	Ps. 208,785,216	Ps. 1,035,888,364	Ps. (1,053,196,014)	Ps. 1,025,592,433
Liabilities:					
Short-term debt and current portion of long-term debt	Ps. 14,228,350	Ps. –	Ps. 12,216,885	Ps. (603,757)	Ps. 25,841,478
Current liabilities	186,048,150	199,125,611	184,541,352	(321,601,637)	248,113,476
Long-term debt	425,530,317		38,948,049		464,478,366
Other non-current liabilities	5,907,439	2,486,212	72,911,945	(4,447,560)	76,858,036
Total liabilities	631,714,256	201,611,823	308,618,231	(326,652,954)	815,291,356
Equity attributable to equity holders of the parent	202,400,611	7,173,393	717,119,500	(724,292,893)	202,400,611
Non-controlling interests		10,150,633	(2,250,167)		7,900,466
Total equity	202,400,611	7,173,393	727,270,133	(726,543,060)	210,301,077
Total liabilities and equity	Ps. 834,114,867	Ps. 208,785,216	Ps. 1,035,888,364	Ps. (1,053,196,014)	Ps. 1,025,592,433

		As of December 31, **2014**			
	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets:					
Cash and cash equivalents	**Ps. 25,654,314**	**Ps. 1,394,691**	**Ps. 39,424,698**	**Ps. –**	**Ps. 66,473,703**
Accounts receivable, net	**77,630,240**	**13,395,305**	**77,094,918**		**168,120,463**
Related parties	**157,743,960**	**18,122,176**	**464,962,866**	**(639,508,895)**	**1,320,107**
Inventories, net	**230,922**	**17,502,817**	**18,223,696**	**(27,153)**	**35,930,282**
Other current assets		**776,380**	**15,787,222**		**16,563,602**
Property, plant and equipment, net	**6,346,798**	**31,545,761**	**557,703,759**		**595,596,318**
Investments in associated companies	**639,676,336**	**90,638,813**	**72,404,950**	**(753,457,518)**	**49,262,581**
Intangible assets and other non-current assets, net	**1,644,636**	**14,307,317**	**329,137,660**		**345,089,613**
Total assets	**Ps. 908,927,206**	**Ps. 187,683,260**	**Ps. 1,574,739,769**	**Ps. (1,392,993,566)**	**Ps. 1,278,356,669**
Liabilities:					
Short-term debt and current portion of long-term debt	**Ps. 31,749,264**	**Ps. –**	**Ps. 26,848,979**	**Ps. (792,726)**	**Ps. 57,805,517**
Current liabilities	**249,303,984**	**164,548,238**	**541,189,823**	**(633,935,938)**	**321,106,107**
Long-term debt	**445,485,243**		**100,464,227**		**545,949,470**
Other non-current liabilities	**(1,995,561)**	**19,807**	**125,639,665**	**(4,807,384)**	**118,856,527**
Total liabilities	**724,542,930**	**164,568,045**	**794,142,694**	**(639,536,048)**	**1,043,717,621**
Equity attributable to equity holders of the parent	**184,384,276**	**23,115,215**	**727,990,597**	**(751,105,812)**	**184,384,276**
Non-controlling interests			**52,606,478**	**(2,351,706)**	**50,254,772**
Total equity	**184,384,276**	**23,115,215**	**780,597,075**	**(753,457,518)**	**234,639,048**
Total liabilities and equity	**Ps. 908,927,206**	**Ps. 187,683,260**	**Ps. 1,574,739,769**	**Ps. (1,392,993,566)**	**Ps. 1,278,356,669**

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2012

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 158,576,797	Ps. 136,378,076	Ps. 618,561,116	Ps. (138,446,344)	Ps. 775,069,645
Total cost and operating expenses	87,525,232	131,836,240	532,740,660	(138,182,467)	613,919,665
Operating income	71,051,565	4,541,836	85,820,456	(263,877)	161,149,980
Interest (expense) income, net	(15,945,879)	(10,030,650)	7,565,322	2,522	(18,408,685)
Foreign currency exchange (loss) gain, net	14,182,855	1,640,474	(8,428,175)		7,395,154
Other financing cost, net	(919,171)		(12,349,666)	3,818	(13,265,019)
Income tax	16,473,632	442,558	29,067,262		45,983,452
Equity interest in net income (loss) of associated companies	39,092,832	879,423	(3,411,474)	(35,799,420)	761,361
Net profit (loss) for year	Ps. 90,988,570	Ps. (3,411,475)	Ps. 40,129,201	Ps. (36,056,957)	Ps. 91,649,339
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 90,988,570	Ps. (3,411,475)	Ps. 35,037,764	Ps. (31,626,289)	Ps. 90,988,570
Non-controlling interest			5,091,437	(4,430,668)	660,769
Net profit (loss)	Ps. 90,988,570	Ps. (3,411,475)	Ps. 40,129,201	Ps. (36,056,957)	Ps. 91,649,339
Other comprehensive (loss) income items:					
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent years Effect of translation of foreign entities	Ps. (32,899,915)	Ps. (4,822,249)	Ps. (32,512,828)	Ps. 36,813,888	Ps. (33,421,104)
Effect of fair value of derivatives, net of deferred taxes	(253,428)		(435,458)	449,722	(239,164)
Items that will not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of deferred taxes	2,377,006		2,439,641	(2,377,006)	2,439,641
Total other comprehensive income items for the year, net of deferred taxes	(30,776,337)	(4,822,249)	(30,508,645)	34,886,604	(31,220,627)
Total comprehensive income for the year	Ps. 60,212,233	Ps. (8,233,724)	Ps. 9,620,556	Ps. (1,170,353)	Ps. 60,428,712
Comprehensive income for the year attributable to:					
Equity holders of the parent	Ps. 60,212,233	Ps. (8,233,724)	Ps. 9,404,077	Ps. (1,170,353)	Ps. 60,212,233
Non-controlling interests			216,479		216,479
	Ps. 60,212,233	Ps. (8,233,724)	Ps. 9,620,556	Ps. (1,170,353)	Ps. 60,428,712

Condensed consolidating statements of comprehensive income

For the year ended December 31, 2013

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 177,392,370	Ps. 147,484,740	Ps. 634,406,203	Ps. (173,182,292)	Ps. 786,101,021
Total cost and operating expenses	103,305,197	145,880,447	552,650,315	(169,992,694)	631,843,265
Operating income	74,087,173	1,604,293	81,755,888	(3,189,598)	154,257,756
Interest (expense) income, net	(19,499,075)	(10,232,219)	8,795,367	(88,892)	(21,024,819)
Foreign currency exchange (loss) gain, net	(5,715,711)	(205,605)	(13,689,149)		(19,610,465)
Other financing cost, net	4,407,649		(12,713,117)	13,933	(8,291,535)
Income tax	9,420,673	(1,473,226)	22,445,284		30,392,731
Equity interest in net income of associated companies	30,765,616	(41,170)	(7,401,474)	(23,286,690)	36,282
Net profit (loss) for year	Ps. 74,624,979	Ps. (7,401,475)	Ps. 34,302,231	Ps. (26,551,247)	Ps. 74,974,488
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 74,624,979	Ps. (7,401,475)	Ps. 33,737,205	Ps. (26,335,730)	Ps. 74,624,979
Non-controlling interest			565,026	(215,517)	349,509
Net profit (loss)	Ps. 74,624,979	Ps. (7,401,475)	Ps. 34,302,231	Ps. (26,551,247)	Ps. 74,974,488
Other comprehensive income items:					
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent years					
Effect of translation of foreign entities	Ps. (26,485,343)	Ps. (3,442,578)	Ps. (26,485,343)	Ps. 29,524,982	Ps. (26,888,282)
Effect of fair value of derivatives, net of deferred taxes	(741,321)	(658,570)	(833,613)	1,492,764	(740,740)
Items that will not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of deferred taxes	(2,289,811)		(3,874,354)	3,726,126	(2,438,039)
Total other comprehensive loss items for the year	(29,516,475)	(4,101,148)	(31,193,310)	34,743,872	(30,067,061)
Total comprehensive income for the year	Ps. 45,108,504	Ps. (11,502,623)	Ps. 3,108,921	Ps. 8,192,625	Ps. 44,907,427
Comprehensive income for the year attributable to:					
Equity holders of the parent	Ps. 45,108,504	Ps. (11,502,623)	Ps. 3,309,998	Ps. 8,192,625	Ps. 45,108,504
Non-controlling interests			(201,077)		(201,077)
	Ps. 45,108,504	Ps. (11,502,623)	Ps. 3,108,921	Ps. 8,192,625	Ps. 44,907,427

Condensed consolidating statements of comprehensive income

For the year ended December 31, **2014**

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Total revenues	Ps. 177,253,309	Ps. 160,813,209	Ps. 684,868,563	Ps. (174,673,261)	Ps. 848,261,820
Total cost and operating expenses	128,116,283	141,434,298	604,910,204	(182,753,215)	691,707,570
Operating income	49,137,026	19,378,911	79,958,359	8,079,954	156,554,250
Interest (expense) income, net	(28,644,460)	(9,557,003)	13,877,738	(146,527)	(24,470,252)
Foreign currency exchange (loss) gain, net	(9,171,796)	(1,067,727)	(18,375,936)		(28,615,459)
Other financing cost, net	5,940,256		(16,135,030)	4,513	(10,190,261)
Income tax	9,988,723	4,917,194	24,801,632		39,707,549
Equity interest in net income of associated companies	38,649,910	(4,185,854)	(348,866)	(40,188,199)	(6,073,009)
Net profit (loss) for year	Ps. 45,922,213	Ps. (348,867)	Ps. 34,174,633	Ps. (32,250,259)	Ps. 47,497,720
Distribution of the net profit (loss) to:					
Equity owners of holding company	Ps. 45,922,213	Ps. (348,867)	Ps. 32,717,012	Ps. (32,143,988)	Ps. 46,146,370
Non-controlling interest			1,457,621	(106,271)	1,351,350
Net profit (loss)	Ps. 45,922,213	Ps. (348,867)	Ps. 34,174,633	Ps. (32,250,259)	Ps. 47,497,720
Other comprehensive income items:					
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:					
Effect of translation of foreign entities	Ps. (5,786,883)	Ps. 2,718,279	Ps. (1,209,846)	Ps. (1,977,265)	Ps. (6,255,715)
Effect of fair value of derivatives, net of deferred taxes	(329,112)	(815,484)	(366,195)	1,197,219	(313,572)
Items not to be reclassified to profit or loss in subsequent years:					
Remeasurement of defined benefit plan, net of income tax effect	(6,625,463)		(6,512,408)	6,329,896	(6,807,975)
Total other comprehensive income items for the period	(12,741,458)	1,902,795	(8,088,449)	5,549,850	(13,377,262)
Total comprehensive income for the period	Ps. 33,180,755	Ps. 1,553,928	Ps. 26,086,184	Ps. (26,700,409)	Ps. 34,120,458
Comprehensive income for the period attributable to:					
Equity holders of the parent	Ps. 33,180,755	Ps. 1,553,928	Ps. 25,370,638	Ps. (26,700,409)	Ps. 33,404,912
Non-controlling interests			715,546		715,546
	Ps. 33,180,755	Ps. 1,553,928	Ps. 26,086,184	Ps. (26,700,409)	Ps. 34,120,458

Condensed Consolidating Statements of Cash Flows

For the year ended December 31, 2012

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 107,462,202	Ps. (2,968,917)	Ps. 69,196,463	Ps. (36,056,957)	Ps. 137,632,791
Non-cash items	(17,700,336)	13,469,502	89,101,098	35,803,277	120,673,541
Changes in working capital:	(142,895,497)	9,638,378	81,315,870	239,272	(51,701,977)
Net cash flows (used in) provided by operating activities	(53,133,631)	20,138,963	239,613,431	(14,408)	206,604,355
Investing activities:					
Acquisition of plant, property and equipment	17,059	(9,869,257)	(112,103,749)		(121,955,947)
Acquisition of intangibles			(7,830,248)		(7,830,248)
Dividends received	26,421,133		(571,187)	(25,278,759)	571,187
Acquisition of investment in associates and business combination	(8,060,283)		(73,849,936)	8,060,283	(73,849,936)
Proceeds from fixed asset sales			58,006		58,006
Cash acquired in business combinations			5,378,807		5,378,807
Net cash flows provided by (used in) investing activities	18,377,909	(9,869,257)	(188,918,307)	(17,218,476)	(197,628,131)
Financing activities:					
Bank loans, net	89,462,233		(46,721,960)		42,740,273
Acquisition of no controlling interest	(10,871,455)		(181,219)		(11,052,674)
Interest paid	(12,868,552)	(7,036,101)	(1,425,138)		(21,329,791)
Paid-In capital			8,060,283	(8,060,283)	
Repurchase of shares and others	(17,836,724)				(17,836,724)
Payment of dividends	(15,057,814)	(3,920,000)	(21,700,000)	25,293,167	(15,384,647)
Financial instruments			5,003,187		5,003,187
Net cash flows (used in) provided by financing activities	32,827,688	(10,956,101)	(56,964,847)	17,232,884	(17,860,376)
Net (decrease) increase in cash and cash equivalents	(1,928,034)	(686,395)	(6,269,723)		(8,884,152)
Adjustment to cash flow for exchange rate differences			(4,752,644)		(4,752,644)
Cash and cash equivalents at beginning of the period	29,197,958	2,012,334	27,913,704		59,123,996
Cash and cash equivalents at end of the period	Ps. 27,269,924	Ps. 1,325,939	Ps. 16,891,337	Ps. –	Ps. 45,487,200

Condensed Consolidating Statements of Cash Flows

For the year ended December 31, 2013

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 84,045,652	Ps. (8,874,701)	Ps. 56,747,515	Ps. (26,551,247)	Ps. 105,367,219
Non-cash items	43,845,079	15,791,372	63,265,973	23,286,691	146,189,115
Changes in working capital:	(34,873,416)	7,885,804	(40,043,987)	3,264,556	(63,767,042)
Net cash flows (used in) provided by operating activities	93,017,315	14,802,475	79,969,501		187,789,292
Investing activities:					
Acquisition of plant, property and equipment	69,274	(16,044,251)	(102,441,309)		(118,416,286)
Acquisition of licenses			(3,334,464)		(3,334,464)
Dividends received			212,394		212,394
Acquisition of non-controlling interest	(341,966)		(1,730,588)	341,966	(1,730,588)
Fixed asset sales			44,045		44,045
Acquisition of investments in associates and business combination			(15,366,062)		(15,366,062)
Partial sale of shares of associated company			4,299,360		4,299,360
Net cash flows provided by (used in) investing activities	(272,692)	(16,044,251)	(118,316,624)	341,966	(134,291,601)
Financing activities:					
Bank loans, net	70,907,667		(5,317,148)		65,590,519
Acquisition of no controlling interest	(72,016,331)		69,448,722		(2,567,609)
Interest paid	(16,839,948)	1,143,831	(6,958,002)		(22,654,119)
Paid-In capital			341,966	(341,966)	
Repurchase of shares and others	(70,745,785)				(70,745,785)
Payment of dividends	(15,501,944)		(220,632)		(15,722,576)
Financial instruments			(546,770)		(546,770)
Net cash flows (used in) provided by financing activities	(104,196,341)	1,143,831	56,748,136	(341,966)	(46,646,340)
Net (decrease) increase in cash and cash equivalents	(11,451,717)	(97,945)	18,401,013		6,851,351
Adjustment to cash flow for exchange rate differences			(4,175,001)		(4,175,001)
Cash and cash equivalents at beginning of the period	27,269,924	1,325,939	16,891,337		45,487,200
Cash and cash equivalents at end of the period	Ps. 15,818,207	Ps. 1,227,994	Ps. 31,117,349	Ps. –	Ps. 48,163,550

Condensed Consolidating Statements of Cash Flows

For the year ended December 31, **2014**

	Parent	Wholly-owned Guarantor Subsidiary	Combined non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:					
Profit before taxes	Ps. 55,910,936	Ps. 4,568,327	Ps. 58,976,264	Ps. (32,250,258)	Ps. 87,205,269
Non-cash items	76,781,705	20,102,297	62,552,178	40,188,198	199,624,378
Changes in working capital:	(59,801,260)	(24,312,700)	45,832,767	(7,937,940)	(46,219,133)
Net cash flows (used in) provided by operating activities	72,891,381	357,924	167,361,209		240,610,514
Investing activities:					
Acquisition of plant, property and equipment	289,705	(8,850,170)	(117,704,832)		(126,265,297)
Acquisition of licenses		(1,225,966)	(18,093,690)		(19,319,656)
Dividends received	(6,265)	7,070,000	(1,497)	(6,702,825)	359,413
Investment in associates and business combinations	7,664,566		(19,575,148)		(11,910,582)
Acquisition of business, net of cash acquired	(10,400,293)	24,648,037	(12,582,000)	10,400,293	12,066,037
Cash acquired in business combination			(2,654,342)		(2,654,342)
Proceeds from fixed asset sales			96,781		96,781
Net cash flows provided by (used in) investing activities	(2,452,287)	21,641,901	(170,514,728)	3,697,468	(147,627,646)
Financing activities:					
Bank loans, net	11,556,519		(4,065,730)		7,490,789
Acquisition of no controlling interest			(4,696,245)		(4,696,245)
Interest paid	(20,818,380)	(21,833,128)	9,368,090		(33,283,418)
Paid-In capital			10,400,293	(10,400,293)	
Repurchase of shares and others	(35,049,327)				(35,049,327)
Increase of non-controlling interests			7,181,894		7,181,894
Payment of dividends	(16,291,799)		(7,465,855)	6,702,825	(17,054,829)
Financial instruments			653,116		653,116
Net cash flows (used in) provided by financing activities	(60,602,987)	(21,833,128)	11,375,563	(3,697,468)	(74,758,020)
Net (decrease) increase in cash and cash equivalents	9,836,107	166,697	8,222,044		18,224,848
Adjustment to cash flow for exchange rate differences			85,305		85,305
Cash and cash equivalents at beginning of the period	15,818,207	1,227,994	31,117,349		48,163,550
Cash and cash equivalents at end of the period	Ps. 25,654,314	Ps. 1,394,691	Ps. 39,424,698	Ps. –	Ps. 66,473,703

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LTE (4G) - Long Term Evolution is the fourth generation of mobile phone standards and technology, superseding 3G. Services include wide-area wireless voice telephony and high-speed broadband wireless data, all in a mobile environment.

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

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

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

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

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

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

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

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

SMS – Short Message Service.

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

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

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

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

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

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Shares traded in México

"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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